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State of New Jersey

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1980

BRENDAN BYRNE, *Governor*

CLIFFORD A. GOLDMAN, *Treasurer*

EDWARD G. HOFGESANG, *Comptroller*

STATE OF NEW JERSEY
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1980
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State of New Jersey

DEPARTMENT OF THE TREASURY

STATE HOUSE
TRENTON, NEW JERSEY 08625

November 28, 1980

Governor Brendan Byrne
Members of the Legislature
Citizens of New Jersey

In compliance with the provisions of N.J.S.A. 52:27B-46, we are pleased to submit a report of the State's financial activities for the fiscal year ended June 30, 1980.

As a result of our efforts to adhere to the most recent revisions in financial reporting standards, this report contains such noteworthy changes as the inclusion of statements that reflect revenues, expenditures, and changes in fund balances for all funds, and for the first time the financial statements of the General Fund contain the State Auditor's independent opinion. These features enhance our financial report and advance our progress toward the practices prescribed by the National Committee on Governmental Accounting and the American Institute of Certified Public Accountants.

The State began fiscal year 1980 with an unrestricted fund balance of $217.2 million in the General Fund, $1.0 million in the Property Tax Relief Fund, and $8.7 million in the Casino Revenue Fund. The fiscal year ended with an unrestricted fund balance of $228.7 million in the General Fund, $28.8 million in the Property Tax Relief Fund, and $28.9 million in the Casino Revenue Fund.

The revenue realized from the collection of taxes and fees and other general revenues during the 1980 fiscal year totaled $5.1 billion. This is an increase of $.5 billion over the 1979 fiscal year. In addition, the Federal aid received during 1980 amounted to another $1.6 billion.

During the 1980 fiscal year, the total expenditures from all funds amounted to $6.7 billion. Of this amount, $5.7 billion was made from the General Fund, $.9 billion from the Property Tax Relief Fund and $.1 billion from the Casino Funds. Fifty one percent of all State expenditures, other than Federal, was State Aid to local governments.

As continuing evidence of the responsibility exhibited by the State in the conduct of its financial affairs, New Jersey again received an excellent bond rating (AAA) from both Moody's Investors Service and Standard and Poor's Corporation. These are expressions of confidence in New Jersey's financial stability.

The Supplemental Data Section presents other financial highlights in a non-technical style. In previous years this information was distributed as a separate report.

Respectfully submitted,

Clifford A. Goldman
State Treasurer

Edward G. Hofgesang
State Comptroller

STATE OF NEW JERSEY
ANNUAL FINANCIAL REPORT
FISCAL YEAR 1980 HIGHLIGHTS

1. New Jersey continues to be rated AAA by both Moody's and Standard and Poors.

2. This report, the State's Annual Financial Report, contains such noteworthy changes as the inclusion of statements that reflect revenues, expenditures, and changes in fund balances of all funds; and for the first time, the financial statements of the General Fund contain the State Auditor's independent opinion. These features enhance the State's reporting practices and advance our progress toward the practices prescribed by the National Committee on Governmental Accounting and the American Institute of Certified Public Accountants.

3. The State ended fiscal year 1980 with an unrestricted fund balance of $228.7 million in the General Fund, $28.8 million in the Property Tax Relief Fund, and $28.9 million in the Casino Revenue Fund.

4. Total expenditures from all funds amounted to $6.7 billion. Expenditures associated with the Fiscal Year 1980 Appropriation Act amounted to $4,887.1 million. The constitution provides that proceeds from the Income Tax be deposited in the Property Tax Relief Fund and appropriated as state aid to reduce local property taxes; and that proceeds from taxes on casinos be deposited in the Casino Revenue Fund and utilized for property tax relief or utility rate relief for eligible disabled and senior citizens. Of the $4,887.1 million, $940.8 million was from the Property Tax Relief Fund, and $37.9 million from the Casino Revenue Fund.

5. Fifty-one percent of all state expenditures, other tha federal funds, was in the form of state aid to local governments.

6. State agencies, particularly the Division of Taxation, administered and collected taxes and other fees totaling $5,063 million. In addition, $1,588 million was received from the federal government in the form of grants-in-aid or reimbursements for eligible projects. The total revenue in fiscal year 1980 was $6,651 million, an increase of $739 million or 12.5 percent over fiscal year 1979.

7. The State issued $120 million in bonds and retired $77.2 million.

8. In fiscal year 1980, the public approved a $475 million bond referenda for transportation, rehabilitation, and improvements, and defeated a $95 million bond referenda for higher education.

9. In fiscal year 1980, the Commission on Capital Budgeting and Planning recommended that three referenda be placed before the voters. On November 4, 1980 (fiscal year 1981), the public approved $50 million for energy conservation projects for state facilities; $159 million for public buildings; $145 million for natural resources projects, including $50 million for resource recovery, $60 million for sewage treatment facilities, $12 million for harbor clean up, $15 million for dam restoration, and $8 million for water interconnections.

10. The Division of Investment managed assets with a book value of $7.9 billion, an increase of $1.2 billion or 18 percent over fiscal year 1979. Of the $7.9 billion book value of funds, the assets of six pension funds represent $6.2 billion, while the remainder is in trust funds and other state funds.

11. During fiscal year 1980, the funds supervised by the Division of Investment produced investment earnings in excess of $538.5 million, an increase of $117.6 million or 28 percent from the prior year.

12. The State's pension system continues to be strengthened actuarially. The accrued benefit liability of the six pension funds, at the latest valuation dates, is $6,621 million, and the book value of all assets is $5,752 million, which represents a funding level of 86 percent.

13. The Cash Management Fund continues to grow. During fiscal year 1980, the book value grew from $672 million at the beginning of the year, to $1,485 million at the end—a 121 percent increase. The gross average daily return for the fund, on an annualized basis, was 11.63 percent. The fund is an investment pool made up of the assets of a number of state funds together with deposits from counties, municipalities, and school districts.

14. New Jersey ranks forty-second among the 50 states in total expenditures per $1,000 personal income, which was $101.73 or 15 percent below the national median of $117.83.

15. A program to bring higher credit ratings and millions of dollars in interest savings to New Jersey school districts was implemented. The restructuring of the Fund for the Support of Free Public Schools, a perpetual fund established under the State Constitution as the repository of the proceeds of all sales of the State's riparian land interests, by making an irrevocable pledge of a portion of the Fund's assets as additional security for the payment of New Jersey school bonds, enabled all New Jersey school bonds to apply for a minimum AA bond rating from Standard and Poors.

16. The State's Productivity Investment Fund has received national recognition from the Council of State Government's Productivity Research Center. Since its initial funding in fiscal year 1979 and continuing through fiscal year 1980, a total of $600,000 in seed money was provided to state agencies for implementing cost-saving processes. Over one-hundred productivity investment proposals were submitted by state agencies for consideration. Twenty-five proposals were funded, and the return on the $600,000 investment in the next three years is expected to be $3.2 million. Future funding will continue by means of budgetary savings and a small appropriation.

17. In tax year 1980, property taxes increased statewide by approximately $300 million; however, over the four-year period since the institution of tax reform, the total property tax growth has been held to less than a 1.3 percent average, per-year increase. This compares to an average rate growth of over 10 percent during the prior 15-year period. If property taxes had continued in their prior pattern of 10 percent annual increases, the property taxes for 1980 would have been $4.6 billion, instead of the tax levy, adjusted for Homestead Rebates, of $3.5 billion—a differential of $1.4 billion or 28 percent.

18. The state-local tax structure in New Jersey is more balanced and less dependent on the property tax than it was a few, short years ago. Of the total state revenue and local property taxes in 1975, 53 percent was collected at the local level. In 1980, local property taxes accounted for 42 percent of the total statewide taxes, a shift of 11 percentage points.

19. New Jersey continued to improve in terms of federal dollars received. New Jersey (state and local government) received $2.7 billion in fiscal year 1979, the latest year of published comparative statistics, an increase of $164 million from the prior year. With respect to federal aid to the state government, in fiscal year 1980, the State realized $1,588 million into the General Fund, an increase of $192 million from the prior year.

20. The State's public authorities and agencies continue to finance on a self-sustaining bases, revenue-producing facilities of a public benefit. Some highlights include—

· In the spring of 1980, the Mortgage Finance Agency implemented a $2 million demonstration solar hot water loan program under the Home Improvement Loan Program.

· In the fiscal year ended June 30, 1980, the Economic Development Authority arranged financing for 495 projects totaling over $729 million in low-interest financing, and sparking over $887 million in investment in the State's economy.

· The New Jersey Sports and Exposition Authority has under construction an arena which will seat 20,000 spectators and is expected to open in the spring of 1981. In the year ending June 30, 1980, the Sports Authority provided the General Fund of the State of New Jersey with $12 million in surplus funds.

· The Hackensack Meadowlands Development Commission began operating its baler in the early part of 1980. Due to the baler, the active life of several of the existing landfills in the district is being prolonged, while at the same time the baler is being used to contour 800 acres of former landfills into the De Korte State Park. Initial approval was granted for the development of Berry's Creek Center, a unique combination of residential, commercial, and retail construction which will serve as the "town center" for the Meadowlands.

· The Housing Finance Agency completed three bond offerings totaling $190.2 million. Two of the issues, amounting to $167 million, financed the construction of more than 2,700 housing units. Since its inception, the HFA has raised more than $1 billion in mortgage financing for 144 developments, resulting in 28,000 units of housing.

COMBINED STATEMENTS

COMBINED STATEMENTS

STATE OF NEW JERSEY
COMBINED BALANCE SHEET - ALL FUNDS
JUNE 30, 1980

	General Fund	Special Revenue Funds	Debt Service Fund
ASSETS			
CASH			
Demand accounts	$ (36,237,774)	$ 11,867,676	$ --
Time accounts	24,300,000	--	--
Cash with fiscal agent	--	--	18,320,669
INVESTMENTS AT BOOK VALUE	227,708,850	137,626,011	--
RECEIVABLES			
Taxes	189,800,980	87,426,181	--
Federal government	559,206,369	--	--
Departmental accounts	76,358,251	155,078,201	--
Loans	461,916	--	--
Other	57,852,074	11,479,447	--
OTHER ASSETS			
Due from other funds	366,800,688	68,409,355	--
Advances to other funds	8,004,422	--	--
Deferred charges	--	122,859	--
Amount available in Debt Service Fund	--	--	--
Amount to be provided from sale of bonds	--	--	--
Amount to be provided for retirement of general long term debt	--	--	--
Total Assets	$ 1,474,255,776	$ 472,009,810	$ 18,320,669
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances			
Current fiscal year	$ 718,327,278	$ 31,061,442	$ --
Prior fiscal years	150,571,987	296,171	--
Deferred revenue	27,693,414	210,322	--
Due to other funds	43,797,498	51,459,548	--
Advances from other funds	--	8,004,422	--
Other	4,473,488	656,399,979	--
Matured interest payable	--	--	3,646,639
Matured bonds payable	--	--	969,000
General obligation bonds payable	--	--	--
Total Liabilities	944,863,665	747,431,884	4,615,639
FUND BALANCES			
Reserved	16,517,640	65,866	--
Unreserved			
Designated for debt service	--	--	13,705,030
Designated for subsequent years' expenditures	284,186,072	10,289,566	--
Undesignated	228,688,399	(285,777,506)	--
Total Fund Balances	529,392,111	(275,422,074)	13,705,030
Total Liabilities and Fund Balances	$ 1,474,255,776	$ 472,009,810	$ 18,320,669

The accompanying notes are an integral part of the financial statements.

Capital Projects Funds	Trust and Agency Funds	General Long Term Debt Account Group	Total (Memorandum Only)
$ 68,944	$ (8,247,715)	$ --	$ (32,548,869)
--	--	--	24,300,000
--	--	--	18,320,669
--	4,796,150,048	--	5,161,484,909
--	--	--	277,227,161
84,571,529	24,546,058	--	668,323,956
158,438	27,990,315	--	259,585,285
--	24,170,717	--	24,632,633
--	55,880,824	--	125,212,345
130,485,353	396,030,728	--	961,726,124
--	--	--	8,004,422
--	--	--	122,859
--	--	13,705,030	13,705,030
109,000,000	834,500,000	--	943,500,000
--	--	1,741,824,970	1,741,824,970
$ 324,284,264	$ 6,151,020,975	$ 1,755,530,000	$ 10,195,421,494
$ 124,596,215	$ 170,421,590	$ --	$ 1,044,406,525
--	--	--	150,868,158
--	--	--	27,903,736
9,734,792	856,734,286	--	961,726,124
--	--	--	8,004,422
--	4,067,461,189	--	4,728,334,656
--	--	--	3,646,639
--	--	--	969,000
--	--	1,755,530,000	1,755,530,000
134,331,007	5,094,617,065	1,755,530,000	8,681,389,260
--	39,124,533	--	55,708,039
--	--	--	13,705,030
184,028,381	445,668,614	--	924,172,633
5,924,876	571,610,763	--	520,446,532
189,953,257	1,056,403,910	--	1,514,032,234
$ 324,284,264	$ 6,151,020,975	$ 1,755,530,000	$ 10,195,421,494

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	General Fund	Special Revenue Funds
REVENUES		
Taxes	$ 2,880,725,700	$ 1,895,423,874
Federal and other grants	1,666,500,379	120,385,422
Licenses and fees	401,345,010	12,865,473
Services and assessments	322,549,601	--
Investment earnings	8,115,569	8,371,553
Other	41,992,808	356,465,838
Total Revenues	5,321,229,067	2,393,512,160
OTHER INCREASES		
Transfers from other funds	327,883,754	43,936,460
Amount to be provided from sale of bonds	--	--
Proceeds from sale of bonds	--	--
Cancellation of prior year obligations	60,522,168	--
Other	5,140,000	3,830,212
Total Other Increases	393,545,922	47,766,672
Total Revenues and Other Increases	5,714,774,989	2,441,278,832
EXPENDITURES		
Protection of persons and property	283,550,378	32,580,945
Physical and mental health	420,065,293	--
Education and intellectual development	1,720,178,224	572,092,625
Community development and environmental management	165,172,257	5,022,419
Economic development and income protection	1,810,195,722	906,388,123
Transportation	476,885,925	--
General governmental affairs	777,490,109	593,026,145
Debt service		
Principal	--	--
Interest	--	--
Total Expenditures	5,653,537,908	2,109,110,257
OTHER DECREASES		
Transfers to other funds	169,077,102	227,540,731
Other	3,575,667	2,940,929
Total Other Decreases	172,652,769	230,481,660
Total Expenditures and Other Decreases	5,826,190,677	2,339,591,917
Net Increase (Decrease) in Fund Balances for the Year	(111,415,688)	101,686,915
FUND BALANCES - JULY 1, 1979	640,807,799	(377,108,989)
FUND BALANCES - JUNE 30, 1980	$ 529,392,111	$ (275,422,074)

The accompanying notes are an integral part of the financial statements.

Debt Service Fund	Capital Projects Funds	Trust and Agency Funds	Total (Memorandum Only)
$ --	$ --	$ 4,167,066	$ 4,780,316,640
--	52,257,067	84,919,406	1,924,062,274
--	--	6,268,249	420,478,732
--	--	19,080,630	341,630,231
--	279,791	353,368,618	370,135,531
--	84,803	15,357,763	413,901,212
--	52,621,661	483,161,732	8,250,524,620
164,473,221	10,241,652	36,940,328	583,475,415
--	109,000,000	834,500,000	943,500,000
--	52,500,000	67,500,000	120,000,000
--	--	--	60,522,168
--	2,171,622	1,904,869	13,046,703
164,473,221	173,913,274	940,845,197	1,720,544,286
164,473,221	226,534,935	1,424,006,929	9,971,068,906
--	--	10,380,545	326,511,868
--	--	--	420,065,293
--	35,762,074	14,913,523	2,342,946,446
--	38,106,028	67,160,852	295,461,556
--	--	247,530,693	2,964,114,538
--	41,355,068	28,224,680	546,465,673
--	--	634,353	1,371,150,607
77,310,000	--	--	77,310,000
85,675,238	--	--	85,675,238
162,985,238	135,223,170	368,844,646	8,429,701,219
--	9,734,792	177,122,790	583,475,415
--	--	75,331,994	81,848,590
--	9,734,792	252,454,784	665,324,005
162,985,238	144,957,962	621,299,430	9,095,025,224
1,487,983	81,576,973	802,707,499	876,043,682
12,217,047	108,376,284	253,696,411	637,988,552
$ 13,705,030	$ 189,953,257	$ 1,056,403,910	$ 1,514,032,234

STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

NOTE 1 - FINANCIAL STATEMENTS

The National Council on Governmental Accounting it its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition. Accordingly, separate statements are presented for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Trust and Agency Funds. A description of each fund is contained within the applicable sections of the report.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the State follow a modified accrual basis. Under this basis, revenues are recorded as received in cash except for:

(a) Those revenues susceptible to accrual (measurable and material).

(b) The accrual of material revenues received subsequent to the due date.

(c) Material revenues received prior to normal time of receipt, which are recorded as deferred revenues.

Appropriations are authorized by an act of the Legislature for expenditure during the fiscal year and for a period of two months thereafter. Expenditures are recorded on an accrual basis (by the recognition of encumbrances at year end) except for:

(a) Disbursements for prepaid expenses, inventory items, and fixed assets, all of which are considered expenditures at the time of purchase.

(b) Debt service on long-term debt is recorded as an interfund transfer when paid to the fiscal agent.

(c) Contributions for social security are recorded on a cash basis.

Other significant accounting policies are described in Notes 3 to 13.

NOTE 3 - REVENUE AND EXPENDITURE BUDGETS

The General Fund operates under a budgetary control system comprised of:

1. The Annual Appropriation Act approved June 28, 1979 and various supplemental appropriation acts approved during the fiscal year.

2. Reappropriations (provided by Annual Appropriation Acts) of prior year funds which are available for expenditure in the current year.

3. Appropriated Revenues (provided by the Annual Appropriation Act) which establish appropriations in matching amounts to certain revenues.

The above items provided the following amounts for the Fiscal Year 1980 Budget.

(thousands)

	Revenue and Other Increases	Expenditures and Other Decreases
1. Annual Appropriation Act	$ 3,542.9	$ 3,720.7
2. Reappropriations	40.1	395.8
3. Appropriated Revenue	1,983.8	1,983.8
totals	$ 5,566.8	$ 6,100.3

NOTE 4 - CHANGES IN ACCOUNTING PRINCIPLES AND STATEMENT PRESENTATION

The format and classification of the accompanying financial statements have been revised from previous years' statements to conform with generally accepted accounting principles as newly defined by Statement 1 - Governmental Accounting and Financial Reporting Principles, published by the National Council of Governmental Accounting.

The data in the following statements presented for certain funds for the Fiscal Year ended June 30, 1979

Statement of Revenues - Anticipated and Realized
Statement of Appropriations and Expenditures
Statement of Changes in Fund Balances

have been summarized and are now presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances for all funds.

In this report, Federal Grants Receivable formerly classified as Departmental Receivables, and Federal Highway Apportionments are now combined and classified as Federal Government Receivables.

Statement 1 provides for Appropriations in Force to be classified as Fund Balance - Designated for subsequent year's expenditures. Such appropriations were not considered as part of the fund balances in prior years.

NOTE 5 - CASH

Negative book balances represent a managed overdraft. Available cash, except for compensating balances, is invested until checks are presented to the bank for payment. Available cash of most funds is invested through the State of New Jersey Cash Management Fund.

NOTE 6 - INVESTMENTS

All securities purchased are recorded at cost and amortized for premium or discount. Securities received as donations and from settlement of claims are recorded at market value when received, and any difference between that and the par value is amortized. At June 30, 1980, book values approximate market value.

In addition to the amounts invested directly by a fund, most funds participate in the State of New Jersey Cash Management Fund, wherein these amounts, together with contributions by local governments, are combined into a large scale investment program. Such participation is reflected as part of Due from Other Funds in the balance sheet of the participating fund.

NOTE 7 - RECEIVABLES

Federal government and departmental accounts receivables are composed of amounts established as appropriations based upon grant awards, the expenditure of which is the basis for reimbursement. Included in the General Fund Federal government accounts receivable is $272.3 million representing outstanding Federal apportionments, which have been encumbered for transportation purposes. It is the policy of the General Fund to record new apportionments to the extent of State matching fund sources, less amounts not obligated and deferred to future years. At June 30, 1980 there was $228 million of unrecorded apportionments deferred to Fiscal Year 1981.

Taxes and departmental accounts receivables include amounts which were substantially collected within the two month period subsequent to June 30, 1980.

All receivables, except those from Federal government are reflected net of allowances for amounts estimated to be uncollectible. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established.

NOTE 8 - FIXED ASSETS

Fixed assets are not reflected in the financial statements. They are recorded as expenditures at the time of acquisition.

NOTE 9 - ACCOUNTS PAYABLE AND ENCUMBRANCES

Includes appropriations reserved or committed based upon the issuance of a purchase order or the execution of a contract. The outstanding amounts are recognized as an obligation until liquidated. In addition, included in this balance are amounts due for goods and services provided, but not liquidated as of the report date. Also included in the General Fund is an accrual of approximately $79.8 million representing 1980 Medicaid claims authorized for payment from 1981 appropriations.

NOTE 10 - DEFERRED REVENUE

The State recognizes unearned revenue from licenses, registrations, and college tuitions based upon the time period over which revenues are earned. This revenue will be earned in the subsequent three years.

NOTE 11 - REALTY LEASE COMMITMENTS

At June 30, 1980, there are 692 realty lease agreements with unexpired periods ranging to 24 years. Future obligation for these leases amounts to $106.5 million, and the annual rental payments are approximately $27.2 million.

In addition to the above, the State has entered into three agreements (two dated 10/15/64 and one dated 6/15/65) whereby the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund have invested construction costs of approximately $17.9 million. Under these agreements, the facilities are owned by the

pension funds and leased to the State for a period of 20 years, and at the end of the term, the State may exercise its option to purchase the facilities at a cost of one dollar per agreement. At June 30, 1980 the remaining liability for these three agreements is $7.0 million.

The State has also entered into two lease agreements with the Mercer County Improvement Authority whereby the Authority would issue its obligations to finance the cost of (1) purchasing and leasing of certain property to the State for use as a tax processing building, and (2) construction and rental of a State Justice Complex. Under the lease agreement, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes. The lease term coincides with the amortization of bonds whereby the last payment is made in January of 2018. Upon expiration of the leases, the Authority agrees to convey to the State the tax processing building without additional consideration, and the Justice Complex for the sum of one dollar. Total lease obligations for these buildings, which are subject to yearly appropriations by the State legislature, amounted to $332 million as of June 30, 1980.

NOTE 12 - GENERAL LONG TERM DEBT

The general long term debt outstanding as of June 30, 1980 is $1,755,530,000, which is secured by the full faith and credit of the State (the General Fund). Amounts outstanding are to be raised and appropriated through future appropriation acts.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments during the Fiscal Year ended June 30, 1980 was $164,473,221. This is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances as part of the transfer to other funds.

In addition, the State (the General Fund) has guaranteed the principal and interest payments on bonds issued by the New Jersey Highway Authority and the New Jersey Sports and Exposition Authority. The amounts outstanding on these bonds as of June 30, 1980 are $81,937,000 and $297,045,000 respectively. The State's liability is contingent upon each Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of these authorities will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation and the New Jersey Housing Finance Agency. However, the Legislature is not legally bound to make such appropriations for these "moral obligation" bonds.

In addition, New Jersey Statutes provide that each school district shall be entitled to receive annual appropriations from the State for the payment of debt service on a maximum principal amount of $280,000,000 of bonds issued by the local school districts. The statutes also provide, in certain situations, for payments by the State for debt service on a maximum of $40,000,000 of county college bonds. Future legislatures are not legally bound to make such appropriations.

NOTE 13 - PENSIONS

The State of New Jersey, its agencies, and local governments have six pension plans covering substantially all of their employees. The pension funds and the date of their valuations are as follows:

Public Employees' Retirement System (3/31/79)
Teachers' Pension and Annuity Fund (3/31/79)
Consolidated Police and Firemen's Pension Fund (12/31/78)
Police and Firemen's Retirement System (6/30/79)
State Police Retirement System (6/30/79)
Judicial Retirement System (6/30/79)

The consolidated pension expense of the General Fund for the Fiscal Years 1979 and 1978 was $252 million and $255 million, respectively. The various funds were analyzed between December 31, 1978, and June 30, 1979, by independent actuaries who reported the following data:

The present value of projected benefits (including both vested and nonvested benefits) for the six pension funds approximated $12.6 billion at the valuation dates. The studies indicated that the book value of all assets of the funds were in excess of $5.7 billion.

With regards to the same funds, the present value of future contributions from members approximates $2.0 billion, and the present value of future normal costs approximates $4.0 billion; and thus, the accrued liability (present value costs in excess of the present value of future employee contributions and future employer normal costs) of the above six funds is approximately $6.6 billion.

The unfunded accrued liability for prior service approximated $326 million and is being funded over a 30 to 40 year period.

NOTE 14 - CONTINGENT LIABILITIES

The State is involved in a number of legal actions wherein the State of New Jersey has the potential for either significant loss of revenue or unanticipated expenditure. The ultimate disposition of these cases cannot be predicted.

Pursuant to the New Jersey Tort Claims Act there are numerous cases pending involving in excess of $200 million. However, the ultimate disposition of these matters may involve a significantly lesser amount.

NOTE 15 - FEDERAL PROGRAMS

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. Disallowances, if any, which may result from these audits are not determinable at this time.

GENERAL FUND

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State are accounted for in the General Fund. Revenues received from taxes, most Federal revenue and certain miscellaneous revenue items are recorded in the General Fund. The appropriation acts enacted by the Legislature provide the basic framework for the operation of the General Fund.

New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES
DIVISION OF STATE AUDITING
STATE HOUSE, SUITE 232
TRENTON, NEW JERSEY 08625
TELEPHONE (609) 292-6430

November 26, 1980

TO: Honorable Brendan Byrne
Governor of New Jersey

Honorable Joseph P. Merlino
President of the Senate

Honorable Christopher J. Jackman
Speaker of the General Assembly

Mr. John W. Davis
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the balance sheet of the General Fund of the State of New Jersey as of June 30, 1980 and the related statements of revenues, expenditures and changes in fund balances; revenues, expenditures and changes in fund balances - budget and actual for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

During fiscal year 1980, the State changed certain of its financial accounting and reporting practices for the General Fund to more closely conform to generally accepted accounting principles as defined by Governmental Accounting and Financial Reporting Principles (Statement No. 1), which was published in March 1979. These changes, with which we concur, are more fully explained in Note No. 4 and principally include the summarization and reformatting of the financial statements and the reclassification of certain accounts within the balance sheet and statements of revenues, expenditures and changes in fund balances; revenues, expenditures and changes in fund balances - budget and actual.

Statement No. 1 sets forth revisions in generally accepted accounting principles (GAAP) and is effective for fiscal years ending after June 30, 1980. Early application of these principles by the State for the fiscal year ending June 30, 1980 results in two existing practices which, while in conformity with previous principles, do not fully comply with Statement No. 1. These practices are the recording of social security taxes when appropriated and paid (see Note No. 2) and the combining of accounts payable and encumbrances for presentation as a liability on the balance sheet.

In our opinion, except for the effect of accounting and reporting practices as set forth in the preceding paragraphs and subject to the final disposition of certain litigations (see Note No. 13), the accompanying statements present fairly the financial position of the General Fund as of June 30, 1980 and the results of operations for the year then ended, in conformity with generally accepted accounting principles as set forth in Statement No. 1.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibility as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4, Legislative Services Law of 1978.

Respectfully submitted,

George B. Harper
State Auditor

STATE OF NEW JERSEY
GENERAL FUND
BALANCE SHEET
JUNE 30, 1980

ASSETS	
CASH	
Demand accounts	$ (36,237,774)
Time accounts	24,300,000
INVESTMENTS AT BOOK VALUE	227,708,850
RECEIVABLES	
Taxes	189,800,980
Federal government	559,206,369
Departmental accounts	76,358,251
Loans	461,916
Other	57,852,074
OTHER ASSETS	
Due from other funds	366,800,688
Advances to other funds	8,004,422
Total Assets	$ 1,474,255,776
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and encumbrances	
Current fiscal year	$ 715,327,278
Prior fiscal year	150,571,987
Deferred revenue	27,693,414
Due to other funds	43,797,498
Other	4,473,488
Total Liabilities	$ 944,863,665
FUND BALANCES	
Reserved	16,517,640
Unreserved	
Designated for subsequent years' expenditures	284,186,072
Undesignated	228,688,399
Total Fund Balances	529,392,111
Total Liabilities and Fund Balances	$ 1,474,255,776

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

REVENUES	
Taxes	$ 2,880,725,700
Federal and other grants	1,666,500,379
Licenses and fees	401,345,010
Services and assessments	322,549,601
Investment earnings	8,115,569
Other	41,992,808
Total Revenues	5,321,229,067
OTHER INCREASES	
Transfers from other funds	327,883,754
Cancellation of prior year obligations	60,522,168
Other	5,140,000
Total Other Increases	393,545,922
Total Revenues and Other Increases	5,714,774,989
EXPENDITURES	
Protection of persons and property	280,182,407
Physical and mental health	420,065,293
Education and intellectual development	1,720,178,224
Community development and environmental management	165,172,257
Economic development and income protection	1,810,195,722
Transportation	476,885,925
General governmental affairs	780,858,080
Total Expenditures	5,653,537,908
OTHER DECREASES	
Transfers to other funds	169,077,102
Other	3,575,667
Total Other Decreases	172,652,769
Total Expenditures and Other Decreases	5,826,190,677
Net Increase (Decrease) in Fund Balances for the Year	(111,415,688)
FUND BALANCES - JULY 1, 1979	640,807,799
FUND BALANCES - JUNE 30, 1980	$ 529,392,111

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	$ 2,846,877,968	$ 2,880,725,700	$ 33,847,732
Federal and other grants	1,627,592,213	1,666,500,379	38,908,166
Licenses and fees	391,801,837	401,345,010	9,543,173
Services and assessments	336,509,056	322,549,601	(13,959,455)
Investment earnings	6,386,125	8,115,569	1,729,444
Other	31,497,862	41,992,808	10,494,946
Total Revenues	5,240,665,061	5,321,229,067	80,564,006
OTHER INCREASES			
Transfers from other funds	286,067,304	327,883,754	41,816,450
Cancellation of prior year obligations	40,094,593	60,522,168	20,427,575
Other	--	5,140,000	5,140,000
Total Other Increases	326,161,897	393,545,922	67,384,025
Total Revenues and Other Increases	5,566,826,958	5,714,774,989	147,948,031
EXPENDITURES			
Protection of persons and property	301,704,365	280,182,407	21,521,958
Physical and mental health	433,294,760	420,065,293	13,229,467
Education and intellectual development	1,763,212,551	1,720,178,224	43,034,327
Community development and environmental management	182,018,635	165,172,257	16,846,378
Economic development and income protection	1,756,095,809	1,810,195,722	(54,099,913)
Transportation	603,349,177	476,885,925	126,463,252
General governmental affairs	891,674,705	780,858,080	110,816,625
Total Expenditures	5,931,350,002	5,653,537,908	277,812,094
OTHER DECREASES			
Transfer to other funds	168,914,641	169,077,102	(162,461)
Other	--	3,575,567	(3,575,667)
Total Other Decreases	168,914,641	172,652,769	(3,738,128)
Total Expenditures and Other Decreases	6,100,264,643	5,826,190,677	274,073,966
Net Increase (Decrease) in Fund Balances for the Year	$ (533,437,685)	(111,415,688)	$ 422,021,997
FUND BALANCES - JULY 1, 1979		640,807,799	
FUND BALANCES - JUNE 30, 1980		$ 529,392,111	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

NOTE 1 - FINANCIAL STATEMENTS

The National Council on Governmental Accounting in its publication entitled Statement 1 - Governmental Accounting and Financial Reporting Principles defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the General Fund follow a modified accrual basis. Under this basis, revenues are recorded as received in cash except for:

(a) Those revenues susceptible to accrual (measurable and material).

(b) The accrual of material revenues received subsequent to the due date.

(c) Material revenues received prior to normal time of receipt, which are recorded as deferred revenues.

Appropriations are authorized by an act of the Legislature for expenditure during the fiscal year and for a period of two months thereafter. Expenditures are recorded on an accrual basis (by the recognition of encumbrances at year end) except for:

(a) Disbursements for prepaid expenses, inventory items, and fixed assets, all of which are considered expenditures at the time of purchase.

(b) Debt service on long-term debt is recorded as an interfund transfer when paid to the fiscal agent.

(c) Contributions for social security are recorded on a cash basis. The contributions paid and recorded in Fiscal Year 1980 cover the four quarters ended 3/31/80. The State contribution for the quarter ended 6/30/80, amounting to $49 million, is recorded in Fiscal Year 1981.

Other significant accounting policies are described in Notes 3 to 12.

NOTE 3 - REVENUE AND EXPENDITURE BUDGETS

The General Fund operates under a budgetary control system comprised of:

1. The Annual Appropriation Act approved June 28, 1979 and various supplemental appropriation acts approved during the fiscal year.

2. Reappropriations (provided by Annual Appropriation Acts) of prior year funds which are available for expenditure in the current year.

3. Appropriated Revenues (provided by the Annual Appropriation Act) which establish appropriations in matching amounts to certain revenues.

The above items provided the following amounts for the Fiscal Year 1980 budget:

(thousands)

	Revenues and Other Increases	Expenditures and Other Decreases
1. Annual Appropriations Act	$ 3,542.9	$ 3,720.7
2. Reappropriations	40.1	395.8
3. Appropriated Revenue	1,983.8	1,983.8
Totals	$ 5,566.8	$ 6,100.3

NOTE 4 - CHANGES IN ACCOUNTING PRINCIPLES AND STATEMENT PRESENTATION

The format and classification of the accompanying financial statements have been revised from previous years' statements to conform with generally accepted accounting principles as newly defined by Statement 1 - Governmental Accounting and Financial Reporting Principles, published by the National Council on Governmental Accounting.

The data in the following statements presented for the Fiscal Year ended June 30, 1979

Statement of Revenues - Anticipated and Realized
Statement of Appropriations and Expenditures
Statement of Changes in Fund Balances

have been summarized and are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.

In this report, Federal Grants Receivable (286.9 million) formerly classified as Departmental Receivables, and Federal Highway Apportionments ($272.3 million) are now combined and classified as Federal Government Receivables.

Statement 1 provides for Appropriations in Force ($284 million at June 30, 1980) to be classified as Fund Balance - Designated for subsequent years' expenditures. Such appropriations were not considered as part of the fund balances in prior years.

NOTE 5 - CASH

The cash balance is in a managed overdraft position. Available cash, except for compensating balances, is invested until checks are presented to the bank for payment. At June 30, 1980, the $36.2 million negative book balance represented $12.9 million of cash in the banks, less $49.1 million of checks issued but not presented for payment.

A compensating balance agreement is maintained with the bank which handles the majority of cash transactions. During Fiscal Year 1980, compensating balances approximated $25 million (comprised of accounts for the General Fund and for 20 Trust Fund accounts). Withdrawal of cash is not legally restricted, and in many instances the account balance maintained constituted normal working funds.

NOTE 6 - INVESTMENTS

All securities purchased are recorded at cost and amortized for premuim or discount. Securities received as donations and from settlement of claims are recorded at market value when received, and any difference between that and the par value is amortized. At June 30, 1980, the book value approximates market value.

In addition to the amounts invested directly, the General Fund participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other funds, and local governments, are combined into a large scale investment program. The General Fund participation, in the amount of $265.2 million, is reflected as part of Due from Other Funds in the balance sheet.

NOTE 7 - RECEIVABLES

Federal government and departmental accounts receivables are composed of amounts established as appropriations based upon grant awards, the expenditure of which is the basis for reimbursement.

Included in the Federal government accounts receivable is $272.3 million representing outstanding Federal apportionments, which have been encumbered for transportation purposes. It is the policy of the General Fund to record new apportionments to the extent of State matching fund sources, less amounts not obligated and deferred to future years. At June 30, 1980 there was $228.0 million of unrecorded apportionments deferred to Fiscal Year 1981.

Taxes and departmental accounts receivables include amounts which were substantially collected within the two month period subsequent to June 30, 1980.

All receivables, except those from Federal government are reflected net of allowances of $12.7 million for amounts estimated to be uncollectible. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established.

NOTE 8 - ACCOUNTS PAYABLE AND ENCUMBRANCES

Includes appropriations reserved or committed based upon the issuance of a purchase order or the execution of a contract. The outstanding amounts are recognized as an obligation until liquidated. In addition, included in this balance are amounts due for goods and services provided, but not liquidated as of the report date. Also included is an accrual of approximately $79.8 million representing 1980 Medicaid claims authorized for payment from 1981 appropriations.

NOTE 9 - DEFERRED REVENUE

The State recognizes unearned revenue from licenses, registrations, and college tuitions based upon the time period over which revenues are earned. This revenue will be earned in the subsequent three years.

NOTE 10 - REALTY LEASE COMMITMENTS

At June 30, 1980, there are 692 realty lease agreements with unexpired periods ranging to 24 years. Future obligations for these leases amounts to $106.5 million, and the annual rental payments are approximately $27.2 million.

In addition to the above, the State has entered into three agreements (two dated 10/15/64 and one dated 6/15/65) whereby the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund have invested construction costs of approximately $17.9 million. Under these agreements, the facilities are owned by the pension funds and leased to the State for a period of 20 years, and

at the end of the term, the State may exercise its option to purchase the facilities at a cost of one dollar per agreement. At June 30, 1980 the remaining liability for these agreements is $7.0 million.

The State has also entered into two lease agreements with the Mercer County Improvement Authority whereby the Authority would issue its obligations to finance the cost of (1) purchasing and leasing of certain property to the State for use as a tax processing building, and (2) construction and rental of a State Justice Complex. Under the lease agreement, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes. The lease term coincides with the amortization of bonds whereby the last payment is made in January of 2018. Upon expiration of the leases, the Authority agrees to convey to the State the tax processing building without additional consideration, and the Justice Complex for the sum of one dollar. Total lease obligations for these buildings, which are subject to yearly appropriations by the State Legislature, amounted to $332 million as of June 30, 1980.

NOTE 11 - GENERAL LONG TERM DEBT

The general long term debt outstanding as of June 30, 1980 is $1,755,530,000, which is secured by the full faith and credit of the State (the General Fund). Amounts outstanding are to be raised and appropriated through future appropriation acts.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments during the Fiscal Year ended June 30, 1980 was $164,473,221. This is reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances as part of the transfer to other funds.

In addition, the State (the General Fund) has guaranteed the principal and interest payments on bonds issued by the New Jersey Highway Authority and the New Jersey Sports and Exposition Authority. The amounts outstanding on these bonds as of June 30, 1980 are $81,937,000 and $297,045,000 respectively. The State's liability is contingent upon each Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of these authorities will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation and the New Jersey Housing Finance Agency. However, the Legislature is not legally bound to make such appropriations for these "moral obligation" bonds.

In addition, New Jersey Statutes provide that each school district shall be entitled to receive annual appropriations from the State for the payment of debt service on a maximum principal amount of $280,000,000 of bonds issued by the local school districts. The statutes also provide, in certain situations, for payments by the State for debt service on a maximum of $40,000,000 of county college bonds. Future legislatures are not legally bound to make such appropriations.

NOTE 12 - PENSIONS

The State of New Jersey, its agencies, and local governments have six pension plans covering substantially all of their employees. The pension funds and the date of their valuations are as follows:

Public Employees' Retirement System (3/31/79)
Teachers' Pension and Annuity Fund (3/31/79)
Consolidated Police and Firemen's Pension Fund (12/31/78)
Police and Firemen's Retirement System (6/30/79)
State Police Retirement System (6/30/79)
Judicial Retirement System (6/30/79)

The consolidated pension expense of the General Fund for the Fiscal Years 1980 and 1979 was $280 million and $252 million, respectively. The various funds were analyzed between December 31, 1978, and June 30, 1979, by independent actuaries who reported the following data:

The present value of projected benefits (including both vested and nonvested benefits) for the six pension funds approximated $12.6 billion at the valuation dates. The studies indicated that the book value of all assets of the funds were in excess of $5.7 billion.

With regards to the same funds, the present value of future contributions from members approximates $2.0 billion, and the present value of future normal costs approximates $4.0 billion; and thus, the accrued liability (present value costs in excess of the present value of future employee contributions and future employer normal costs) of the above six funds is approximately $6.6 billion.

The unfunded accrued liability for prior service approximated $326 million and is being funded over a 30 to 40 year period.

NOTE 13 - CONTINGENT LIABILITIES

The State is involved in a number of legal actions wherein the State of New Jersey has the potention for either significant loss of revenue or unanticipated expenditure. The ultimate disposition of these cases cannot be predicted.

Pursuant to the New Jersey Tort Claims Act there are numerous cases pending involving in excess of $200 million. However, the ultimate disposition of these matters may involve a significantly lesser amount.

NOTE 14 - FEDERAL PROGRAMS

During the year ended June 30, 1980 the State received approximately $1.6 billion in Federal funds. Under the terms of various grant awards, expenditures from Federal funds are subject to audit. Disallowances, if any, which may result from these audits are not determinable at this time.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources legally restricted to expenditure for specified current operating purposes. A description of each individual Special Revunue Fund may be found beginning on page 24 of this section.

SPECIAL REVENUE FUNDS

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Casino Control Fund	Casino Revenue Fund	Gubernatorial General Elections Fund	New Jersey Spill Compensation Fund	Property Tax Relief Fund
ASSETS					
CASH					
Demand accounts	$ --	$ --	$ --	$ 9,202	$ --
INVESTMENTS AT BOOK VALUE	--	--	--	--	--
RECEIVABLES					
Taxes	--	--	--	--	78,062,019
Departmental accounts	1,042,255	--	--	--	--
Other	--	--	--	--	--
OTHER ASSETS					
Due from other funds	3,224,994	32,028,267	2,839,908	18,012,503	--
Deferred charges	--	--	--	--	--
Total Assets	$ 4,267,249	$ 32,028,267	$ 2,839,908	$ 18,021,705	$ 78,062,019
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and encumbrances					
Current fiscal year	$ 4,255,369	$ 3,087,570	$ --	$ 2,759,789	$ 2,446,906
Prior fiscal year	11,880	--	--	--	284,291
Deferred revenue	--	--	--	--	--
Due to other funds	--	--	--	502,856	42,322,089
Advances from other funds	8,004,422	--	--	--	--
Other	--	--	--	--	4,221,980
Total Liabilities	12,271,671	3,087,570	--	3,262,645	49,275,266
FUND BALANCES					
Reserved	--	--	--	--	--
Unreserved					
Designated for subsequent years' expenditures	--	--	--	10,289,566	--
Undesignated	(8,004,422)	28,940,697	2,839,908	4,469,494	28,786,753
Total Fund Balances	(8,004,422)	28,940,697	2,839,908	14,759,060	28,786,753
Total Liabilities and Fund Balances	$ 4,267,249	$ 32,028,267	$ 2,839,908	$ 18,021,705	$ 78,062,019

The accompanying notes are an integral part of the financial statements.

State Disability Benefit Fund	State Lottery Fund	Transportation Benefit Fund	Transportation Fund	Unemployment Compensation Fund	Total Special Revenue Funds
$ (812,343)	$ (1,273,142)	$ 85,340	$ (676,773)	$ 14,535,392	$ 11,867,676
95,207,843	42,418,168	--	--	--	137,626,011
--	--	--	9,364,162	--	87,426,181
100,000	--	--	--	153,936,026	155,078,281
2,192,028	9,287,419	--	--	--	11,479,447
1,560,717	8,080,834	--	112,528	2,549,604	68,409,355
--	122,859	--	--	--	122,859
$ 98,248,245	$ 58,636,138	$ 85,340	$ 8,799,917	$ 171,021,022	$ 472,009,810
$ --	$ 9,626,551	$ 85,340	$ 8,799,917	$ --	$ 31,061,442
--	--	--	--	--	296,171
--	210,322	--	--	--	210,322
2,569,371	6,065,232	--	--	--	51,459,548
--	--	--	--	--	8,004,422
--	249,999	--	--	651,928,000	656,399,979
2,569,371	16,152,104	85,340	8,799,917	651,928,000	747,431,884
--	65,866	--	--	--	65,866
--	--	--	--	--	10,289,566
95,678,874	42,418,168	--	--	(480,906,978)	(285,777,506)
95,678,874	42,484,034	--	--	(480,906,978)	(275,422,074)
$ 98,248,245	$ 58,636,138	$ 85,340	$ 8,799,917	$ 171,021,022	$ 472,009,810

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Casino Control Fund	Casino Revenue Fund	Gubernatorial General Elections Fund	New Jersey Spill Compensation Fund
REVENUES				
Taxes	$ --	$ 58,086,559	$ --	$ 6,849,637
Federal and other grants	--	--	--	--
Licenses and fees	12,865,473	--	--	--
Investment earnings	--	--	--	8,770
Other	--	--	1,422,570	13,162
Total Revenues	12,865,473	58,086,559	1,422,570	6,871,569
OTHER INCREASES				
Transfers from other funds	--	--	--	1,817,726
Other	99,643	--	--	--
Total Other Increases	99,643	--	--	1,817,726
Total Revenues and Other Increases	12,965,116	58,086,559	1,422,570	8,689,295
EXPENDITURES				
Protection of persons and property	11,650,014	20,930,931	--	--
Education and intellectual development	--	--	--	--
Community development and environmental management	--	--	--	5,022,419
Economic development and income protection	--	--	--	--
General governmental affairs	5,280,817	17,000,000	--	--
Total Expenditures	16,930,831	37,930,931	--	5,022,419
OTHER DECREASES				
Transfers to other funds	--	--	--	730,856
Other	--	--	--	--
Total Other Decreases	--	--	--	730,856
Total Expenditures and Other Decreases	16,930,831	37,930,931	--	5,753,275
Net Increase (Decrease) in Fund Balances for the Year	(3,965,715)	20,155,628	1,422,570	2,936,020
FUND BALANCES - JULY 1, 1979	(4,038,707)	8,785,069	1,417,338	11,823,040
FUND BALANCES - JUNE 30, 1980	$ (8,004,422)	$ 28,940,697	$ 2,839,908	$ 14,759,060

The accompanying notes are an integral part of the financial statements.

Property Tax Relief Fund	State Disability Benefit Fund	State Lottery Fund	Transportation Fund	Unemployment Compensation Fund	Total Special Revenue Funds
$ 937,060,965	$ 128,730,168	$ --	$ 67,719,062	$ 696,977,483	$ 1,895,423,874
--	--	--	--	120,385,422	120,385,422
--	--	--	--	--	12,865,473
--	8,362,783	--	--	--	8,371,553
--	6,398,651	348,631,455	--	--	356,465,838
937,060,965	143,491,602	348,631,455	67,719,062	817,362,905	2,393,512,160
31,760,240	1,560,717	1,748,180	--	7,049,597	43,936,460
145,377	--	3,585,192	--	--	3,830,212
31,905,617	1,560,717	5,333,372	--	7,049,597	47,766,672
968,966,582	145,052,319	353,964,827	67,719,062	824,412,502	2,441,278,832
--	--	--	--	--	32,580,945
572,092,625	--	--	--	--	572,092,625
--	--	--	--	--	5,022,419
--	122,609,249	--	--	783,778,874	906,388,123
368,780,403	--	201,964,925	--	--	593,026,145
940,873,028	122,609,249	201,964,925	--	783,778,874	2,109,110,257
--	7,025,581	152,065,232	67,719,062	--	227,540,731
277,215	--	2,663,714	--	--	2,940,929
277,215	7,025,581	154,728,946	67,719,062	--	230,481,660
941,150,243	129,634,830	356,693,871	67,719,062	783,778,874	2,339,591,917
27,816,339	15,417,489	(2,729,044)	--	40,633,628	101,686,915
970,414	80,261,385	45,213,078	--	(521,540,606)	(377,108,989)
$ 28,786,753	$ 95,678,874	$ 42,484,034	$ --	$ (480,906,978)	$ (275,422,074)

STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
DESCRIPTION OF FUNDS
YEAR ENDED JUNE 30, 1980

CASINO CONTROL FUND (54:12-143)

The Casino Control Fund is used to account for fees from the issuance and annual renewal of casino licenses. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement. The cost of operations to date have been funded by advances from the General Fund, and must be repaid within six years.

CASINO REVENUE FUND (54:12-145)

The Casino Revenue Fund is used to account for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons. Appropriations from this fund must be used for reductions in property taxes, utility charges and other expenses of eligible senior citizens.

GUBERNATORIAL GENERAL ELECTIONS FUND (54A:9-25.1)

The Gubernatorial General Elections Fund is used to account for receipts from the dollar designations on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial General Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

NEW JERSEY SPILL COMPENSATION FUND (58:10-23.11i)

The purpose is to account for receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

PROPERTY TAX RELIEF FUND (54A:9-25)

The Property Tax Relief Fund is used to account for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulae established by the legislature, to counties, municipalities, and school districts.

STATE DISABILITY BENEFIT FUND (43:21-46a)

The purpose is to account for deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State; and from special assessments, fines, penalties, and investment earnings. Payments from the fund may be made to persons entitled to disability benefits and benefits not covered by the Workers Compensation Law, for authorized refunds of contributions and for administration expenses.

STATE LOTTERY FUND (5:9-21)

The purpose is to account for moneys from the sale of state lottery tickets or shares. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets or shares and for the administrative expenses of the Division of State Lottery. The balance of funds are paid over to the General Fund in support of the amounts annually appropriated for State institutions and for education.

TRANSPORTATION BENEFIT FUND (54-8A-106)

Pursuant to P.L. 1976, chapter 126, an agreement was made with the State of Pennsylvania that each state would collect income tax on compensation from their own citizens effective January 1, 1978. Except for miscellaneous tax receipts and refunds to taxpayers of prior years, this fund is considered inactivated.

TRANSPORTATION FUND (54:18A-20)

The purpose is to account for receipts of taxes from the Emergency Transportation Tax Act; such tax is on the income of New Jersey residents derived from sources within a "critical area state" other than New Jersey, and on the income of residents of another "critical area state" derived from sources within New Jersey. The critical area state has been determined by the Commissioner of Transportation to be New York. Each taxpayer subject to the Emergency Transportation Tax Act, is required to compute the tax due the State for both the Emergency Transportation Tax and the New Jersey Gross Income Tax, and to pay the greater tax due, which is deposited and credited herein. The amount applicable to the tax, as calculated for the New Jersey Gross Income Tax, is first allocated and transferred to the Property Tax Relief Fund and reported by the State under the revenues of the Gross Income Tax in the Property Tax Relief Fund of the General Treasury. The funds are to be used for the improvement of transportation and transportation facilities in the critical areas covered by the Act.

UNEMPLOYMENT COMPENSATION FUND (43:21-9a)

The purpose is to account for moneys deposited from employers' and employees' contributions who are subject to the State of New Jersey Unemployment Compensation; also, to account for amounts credited or advances made by the federal government and amounts received herein from any other source.

After giving consideration to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for the credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-need basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any insufficiency in the Unemployment Compensation Fund to pay benefits is covered by federal statutes which authorize advances from the federal government for unemployment benefits to the State. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest. A list of the accounts contained within this fund may be found on page 28 of this section.

STATE OF NEW JERSEY
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1980

ASSETS

CASH	
Cash with fiscal agent	$ 18,320,669
Total Assets	$ 18,320,669

LIABILITIES AND FUND BALANCES

LIABILITIES	
Matured interest payable	$ 3,646,639
Matured bonds payable	969,000
Total Liabilities	$ 4,615,639
FUND BALANCES	
Designated for debt service	13,705,030
Total Fund Balances	13,705,030
Total Liabilities and Fund Balances	$ 18,320,669

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

OTHER INCREASES	
Transfers from other funds	$ 164,473,221
Total Other Increases	164,473,221
EXPENDITURES	
Debt service	
Principal	77,310,000
Interest	85,675,238
Total Expenditures	162,985,238
Net Increase (Decrease) in Fund Balances for the Year	1,487,983
FUND BALANCES - JULY 1, 1979	12,217,047
FUND BALANCES - JUNE 30, 1980	$ 13,705,030

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
DEBT SERVICE FUND
DESCRIPTION OF FUND
YEAR ENDED JUNE 30, 1980

The Debt Service Fund is used to account for payment of general long term debt principal and interest. Resources, provided by the General Fund, are deposited with banks, who serve as paying agents.

The accounts which comprise this fund are from the following bond authorizations:

Beaches and Harbors (1977)
Clean Waters (1976)
Emergency Flood Control (1978)
Higher Education Construction (1971)
Highway Improvement (1930)
Institutional Construction (1978)
Institutions Construction (1976)
Medical Education Facilities (1977)
New Jersey Institutions Construction (1964)
Public Building Construction (1968)
State Facilities for Handicapped (1973)
State Higher Education (1959)
State Higher Education Construction (1964)
State Housing Assistance (1968)
State Institution Construction (1960)
State Land Acquisition and Development (1978)
State Mortgage Assistance (1976)
State Recreation and Conservation Land Acquisition (1961)
State Recreation and Conservation Land Acquisition (1971)
State Recreation and Conservation Land Acquisition and Development (1974)
State Transportation (1968)
Transportation Rehabilitation and Improvement (1979)
Water Conservation (1969)
Water Development (1958)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. A description of each individual Capital Project Fund may be found on page 33 of this section.

CAPITAL PROJECTS FUNDS

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Higher Education Buildings Construction Fund	Institutional Construction Fund	Institutions Construction Fund
ASSETS			
CASH			
Demand accounts	$ 6,289	$ 814	$ (7,558)
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	--	--	--
OTHER ASSETS			
Due from other funds	3,844,728	24,434,308	27,039,218
Amount to be provided from sale of bonds	--	75,000,000	34,000,000
Total Assets	$ 3,851,017	$ 99,435,122	$ 61,031,660
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances			
Current fiscal year	$ 579,005	$ 32,886,212	$ 35,747,884
Due to other funds	518,114	2,395,299	2,975,334
Total Liabilities	1,097,119	35,281,511	38,723,218
FUND BALANCES			
Unreserved			
Designated for subsequent years' expenditures	2,753,898	60,681,563	22,286,088
Undesignated	--	3,472,048	22,354
Total Fund Balances	2,753,898	64,153,611	22,308,442
Total Liabilities and Fund Balances	$ 3,851,017	$ 99,435,122	$ 61,031,660

The accompanying notes are an integral part of the financial statements.

Public Buildings Construction Fund	State Facilities for Handicapped Fund	State 1964 Institution Construction Fund	State Transportation Fund	Total Capital Projects Funds
$ 34,106	$ 31,672	$ 343	$ 3,278	$ 68,944
--	--	--	84,571,529	84,571,529
158,438	--	--	--	158,438
7,369,657	21,383,683	175,856	46,237,903	130,485,353
--	--	--	--	109,000,000
$ 7,562,201	$ 21,415,355	$ 176,199	$ 130,812,710	$ 324,284,264
$ 3,782,313	$ 2,712,074	$ 107,754	$ 48,780,974	$ 124,596,215
970,344	--	26,856	2,848,845	9,734,792
4,752,656	2,712,074	134,610	51,629,819	134,331,007
2,809,545	16,272,807	41,589	79,182,891	184,028,381
--	2,430,474	--	--	5,924,876
2,809,545	18,703,281	41,589	79,182,891	189,953,257
$ 7,562,201	$ 21,415,355	$ 176,199	$ 130,812,710	$ 324,284,264

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Higher Education Buildings Construction Fund	Institutional Construction Fund	Institutions Construction Fund
REVENUES			
Federal and other grants	$ --	$ --	$ --
Investment earnings	--	--	--
Other	--	8,994	17,987
Total Revenues	--	8,994	17,987
OTHER INCREASES			
Transfers from other funds	518,114	2,386,305	2,957,347
Amount to be provided from sale of bonds	--	75,000,000	34,000,000
Proceeds from sale of bonds	--	5,000,000	10,000,000
Other	--	--	--
Total Other Increases	518,114	82,386,305	46,957,347
Total Revenues and Other Increases	518,114	82,395,299	46,975,334
EXPENDITURES			
Education and intellectual development	1,689,840	13,417,502	15,667,712
Community development and environmental management	--	22,428,887	31,174,344
Transportation	--	--	--
Total Expenditures	1,689,840	35,846,389	46,842,056
OTHER DECREASES			
Transfers to other funds	518,114	2,395,299	2,975,334
Total Other Decreases	518,114	2,395,299	2,975,334
Total Expenditures and Other Decreases	2,207,954	38,241,688	49,817,390
Net Increase (Decrease) in Fund Balances for the Year	(1,689,840)	44,153,611	(2,842,056)
FUND BALANCES - JULY 1, 1979	4,443,738	20,000,000	25,150,498
FUND BALANCES - JUNE 30, 1980	$ 2,753,898	$ 64,153,611	$ 22,308,442

The accompanying notes are an integral part of the financial statements.

Public Buildings Construction Fund	State Facilities for Handicapped Fund	State 1964 Institution Construction Fund	State Transportation Fund	Total Capital Projects Funds
$ --	$ --	$ --	$ 52,257,067	$ 52,257,067
--	111,457	--	168,334	279,791
--	22,309	--	35,513	84,803
--	133,766	--	52,460,914	52,621,661
970,344	737,688	26,856	2,644,998	10,241,652
--	--	--	--	109,000,000
--	14,500,000	--	23,000,000	52,500,000
--	--	--	2,171,622	2,171,622
970,344	15,237,688	26,856	27,816,620	173,913,274
970,344	15,371,454	26,856	80,277,534	226,534,935
--	4,987,020	--	--	35,762,074
4,491,855	--	10,942	--	58,106,028
--	--	--	41,355,068	41,355,068
4,491,855	4,987,020	10,942	41,355,068	135,223,170
970,344	--	26,856	2,848,845	9,734,792
970,344	--	26,856	2,848,845	9,734,792
5,462,199	4,987,020	37,798	44,203,913	144,957,962
(4,491,855)	10,384,434	(10,942)	36,073,621	81,576,973
7,301,400	8,318,847	52,531	43,109,270	108,376,284
$ 2,809,545	$ 18,703,281	$ 41,589	$ 79,182,891	$ 189,953,257

STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
DESCRIPTION OF FUNDS
YEAR ENDED JUNE 30, 1980

HIGHER EDUCATION BUILDINGS CONSTRUCTION FUND (P.L. 1971, c. 164)

An amount of $155,000,000 was authorized for the purposes of acquisition, construction, reconstruction, development, improvement, and equipment for state institutions of higher education and for county colleges.

INSTITUTIONAL CONSTRUCTION FUND (P.L. 1978, c. 79)

An amount of $100,000,000 was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds are also available for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

INSTITUTIONS CONSTRUCTION FUND (P.L. 1976, c. 93)

An amount of $80,000,000 was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

PUBLIC BUILDINGS CONSTRUCTION FUND (P.L. 1968, c. 128)

An amount of $337,500,000 was authorized for construction, reconstruction, development, extension, and equipping of public buildings for state institutions; higher education, including state and county colleges; vocational education, and for a state-wide television and radio network.

STATE FACILITIES FOR HANDICAPPED FUND (P.L. 1973, c. 149)

An amount of $25,000,000 was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

STATE 1964 INSTITUTION CONSTRUCTION FUND (P.L. 1964, c. 144)

An amount of $50,000,000 was authorized for construction of or renovations to state mental, charitable, hospital, relief, training, and correctional institutional buildings.

STATE TRANSPORTATION FUND (P.L. 1968, c. 126)

An amount of $640,000,000 was authorized for the purpose of improving the public transportation system for the State. Of the amount, $200,000,000 was reserved for mass transportation facilities; the balance was reserved for the improvement of state highways.

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. A description of each individual Trust and Agency Fund may be found beginning on page 58 of this section.

TRUST AND AGENCY FUNDS

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Beaches and Harbor Fund	Clean Waters Fund	College of Medicine and Dentistry of New Jersey Construction Grant Fund
ASSETS			
CASH			
Demand accounts	$ 2,757	$ 372,395	$ 351
INVESTMENTS AT BOOK VALUE	--	--	202,449
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	40,737	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	9,618,712	13,971,087	995,731
Amount to be provided from sale of bonds	20,000,000	44,000,000	--
Total Assets	$ 29,662,206	$ 58,343,482	$ 1,198,531
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances			
Current fiscal year	$ 852,243	$ 33,720,455	$ --
Due to other funds	614,698	2,560,978	--
Other	--	--	--
Total Liabilities	1,466,941	36,281,433	--
FUND BALANCES			
Reserved	--	--	--
Unreserved	--	--	--
Designated for subsequent years' expenditures	7,203,542	14,175,825	--
Undesignated	20,991,723	7,886,224	1,198,531
Total Fund Balances	28,195,265	22,062,049	1,198,531
Total Liabilities and Fund Balances	$ 29,662,206	$ 58,343,482	$ 1,198,531

The accompanying notes are an integral part of the financial statements.

College of Medicine and Dentistry of New Jersey Endowment Fund	College of Medicine and Dentistry of New Jersey Endowment Fund "B"	College of Medicine and Dentistry of New Jersey Grant Fund	College of Medicine and Dentistry of New Jersey Grant Fund "B"	College of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Common Pension Fund "A"
$ 4,869	$ 26,817	$ 47	$ 2,486	$ (107,942)	$ 7,965
213,966	5,490,904	296,045	--	1,200,000	1,128,187,811
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
4,655	55,426	3,788	--	114,800	1,250
54,820	349,543	70,018	1,477,852	3,623,162	38,048,502
--	--	--	--	--	--
$ 278,310	$ 5,922,690	$ 369,898	$ 1,480,338	$ 4,830,020	$ 1,166,245,528
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	1,166,245,528
--	--	--	--	--	1,166,245,528
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
278,310	5,922,690	369,898	1,480,338	4,830,020	--
278,310	5,922,690	369,898	1,480,338	4,830,020	--
$ 278,310	$ 5,922,690	$ 369,898	$ 1,480,338	$ 4,830,020	$ 1,166,245,528

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Common Pension Fund "B"	Common Pension Fund "C"	Disability Benefit Liability Fund
ASSETS			
CASH			
Demand accounts	$ 33,650	$ 59,063	$ 275,704
INVESTMENTS AT BOOK VALUE	2,037,720,041	84,952,666	--
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	79,235,749	26,479,363	1,555,689
Amount to be provided from sale of bonds	--	--	--
Total Assets	$ 2,116,989,440	$ 111,491,092	$ 1,831,393
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances			
Current fiscal year	$ --	$ --	$ --
Due to other funds	--	--	1,560,717
Other	2,116,989,440	111,491,092	--
Total Liabilities	2,116,989,440	111,491,092	1,560,717
FUND BALANCES			
Reserved	--	--	--
Unreserved	--	--	--
Designated for subsequent years' expenditures	--	--	--
Undesignated	--	--	270,676
Total Fund Balances	--	--	270,676
Total Liabilities and Fund Balances	$ 2,116,989,440	$ 111,491,092	$ 1,831,393

The accompanying notes are an integral part of the financial statements.

1837 Surplus Revenue Fund	Emergency Flood Control Fund	Emergency Services Fund	General Revenue Sharing Fund	General Trust Fund	Higher Education Assistance Fund
$ 23,402	$ 5,341	$ 13,992	$ 73	$ 3,613	$ (4,921)
559,408	--	--	--	--	--
--	--	--	18,835,777	--	--
--	--	--	--	--	--
11,090	--	--	--	--	13,415,630
6,751	--	--	--	--	--
218,292	11,172,073	2,307,708	--	--	13,161,666
--	15,000,000	--	--	--	--
$ 818,943	$ 26,177,414	$ 2,321,700	$ 18,835,850	$ 3,613	$ 26,572,375
$ --	$ --	$ --	$ --	$ 3,613	$ 6,721,024
54,273	1,234,068	--	18,835,848	--	--
--	--	--	--	--	--
54,273	1,234,068	--	18,835,848	3,613	6,721,024
--	--	--	--	--	13,415,630
--	--	--	--	--	--
--	9,955,880	--	--	--	--
764,670	14,987,466	2,321,700	2	--	6,435,721
764,670	24,943,346	2,321,700	2	--	19,851,351
$ 818,943	$ 26,177,414	$ 2,321,700	$ 18,835,850	$ 3,613	$ 26,572,375

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Housing Assistance Fund	Medical Education Facilities Fund	Mortgage Assistance Fund
ASSETS			
CASH			
Demand accounts	$ 1,186	$ 5,402	$ 43,527
INVESTMENTS AT BOOK VALUE	--	4,871,100	--
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	11,382,576	--	2,267,453
Loans	--	--	--
Other	--	135,710	--
OTHER ASSETS			
Due from other funds	21,397	22,520,611	3,390,442
Amount to be provided from sale of bonds	--	--	5,000,000
Total Assets	$ 11,405,159	$ 27,532,823	$ 10,701,422
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances	$ --	$ --	$ --
Current fiscal year	--	10,808,187	218,119
Due to other funds	2,397	2,525,647	3,124,674
Other	--	--	--
Total Liabilities	2,397	13,333,834	3,342,793
FUND BALANCES			
Reserved	11,382,576	--	2,267,453
Unreserved	--	--	--
Designated for subsequent years' expenditures	20,186	14,192,637	3,895,765
Undesignated	--	6,352	1,195,411
Total Fund Balances	11,402,762	14,198,989	7,358,629
Total Liabilities and Fund Balances	$ 11,405,159	$ 27,532,823	$ 10,701,422

The accompanying notes are an integral part of the financial statements.

Motor Vehicle Liability Security Fund	Motor Vehicle Security Responsibility Fund	Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund	NJ Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund
$ 47,842	$ 4,785	$ 52,714	$ 48,030	$ (49,756)	$ 10,941
1,567,737	--	6,196,035	--	--	--
--	--	--	--	--	--
3,583,311	--	2,220,000	--	84,351	--
--	--	--	--	--	--
17,129	--	66,096	--	--	--
2,023,390	567,721	403,458	1,756,815	388,672	8,043,539
--	--	--	--	--	--
$ 7,239,409	$ 572,506	$ 8,938,303	$ 1,804,845	$ 423,267	$ 8,054,480
$ --	$ --	$ --	$ --	$ --	$ --
220,250	501,941	962,027	--	--	--
--	70,565	--	--	--	--
--	--	--	--	--	--
220,250	572,506	962,027	--	--	--
--	--	1,257,973	--	84,351	--
--	--	--	--	--	--
--	--	--	--	--	--
7,019,159	--	6,718,303	1,804,845	338,916	8,054,480
7,019,159	--	7,976,276	1,804,845	423,267	8,054,480
$ 7,239,409	$ 572,506	$ 8,938,303	$ 1,804,845	$ 423,267	$ 8,054,480

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Outstanding Checks Account	Real Estate Guaranty Fund	Rutgers Medical School-Restricted Fund
ASSETS			
CASH			
Demand accounts	$ 4,055	$ 7,150	$ 674
INVESTMENTS AT BOOK VALUE	--	--	1,000,000
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	63,644
OTHER ASSETS			
Due from other funds	1,729,597	541,051	2,167,816
Amount to be provided from sale of bonds	--	--	--
Total Assets	$ 1,733,652	$ 548,201	$ 3,232,134
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances	$ --	$ --	$ --
Current fiscal year	1,526,355	--	--
Due to other funds	207,297	--	--
Other	--	--	--
Total Liabilities	1,733,652	--	--
FUND BALANCES			
Reserved	--	--	--
Unreserved	--	--	--
Designated for subsequent years' expenditures	--	--	--
Undesignated	--	548,201	3,232,134
Total Fund Balances	--	548,201	3,232,134
Total Liabilities and Fund Balances	$ 1,733,652	$ 548,201	$ 3,232,134

The accompanying notes are an integral part of the financial statements.

School Building Aid Capital Reserve Fund	School Fund	Special Railroad Deposits Trust Fund	State Employees' Dental Care Deductions Fund	State Employees' Health Benefits Deductions Fund	State Employees' Miscellaneous Deductions Fund
$ 4,210	$ (216,643)	$ 874	$ 3,855	$ 11,767	$ 26,017
--	35,960,185	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	418,724	--	--	--	--
3,433,995	796,529	15,901	--	--	--
--	--	--	--	--	--
$ 3,438,205	$ 36,958,795	$ 16,775	$ 3,855	$ 11,767	$ 26,017
$ --	$ --	$ --	$ --	$ --	$ --
3,438,205	34,703	14,874	3,855	11,767	26,017
--	1,199,100	1,901	--	--	--
--	1,228,851	--	--	--	--
3,438,205	2,462,654	16,775	3,855	11,767	26,017
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	34,496,141	--	--	--	--
--	34,496,141	--	--	--	--
$ 3,438,205	$ 36,958,795	$ 16,775	$ 3,855	$ 11,767	$ 26,017

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	State Land Acquisition and Development Fund	State of New Jersey Cash Management Fund	State of New Jersey-Tischler Memorial Fund
ASSETS			
CASH			
Demand accounts	$ 5,341	$ (8,758,537)	$ 8,362
INVESTMENTS AT BOOK VALUE	--	1,438,450,018	340,231
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	53,653,131	9,196
OTHER ASSETS			
Due from other funds	11,222,407	--	110,740
Amount to be provided from sale of bonds	190,000,000	--	--
Total Assets	$ 201,227,748	$ 1,483,344,612	$ 468,529
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances	$ --	$ --	$ --
Current fiscal year	--	--	--
Due to other funds	1,234,402	811,643,167	--
Other	--	671,506,278	--
Total Liabilities	1,234,402	1,483,149,445	--
FUND BALANCES			
Reserved	--	--	--
Unreserved	--	--	--
Designated for subsequent years' expenditures	52,005,880	--	30,577
Undesignated	147,987,466	195,167	437,952
Total Fund Balances	199,993,346	195,167	468,529
Total Liabilities and Fund Balances	$ 201,227,748	$ 1,483,344,612	$ 468,529

The accompanying notes are an integral part of the financial statements.

State Recreation and Conservation Land Acquisition Fund 1971	State Recreation and Conservation Land Acquisition and Development Fund	State Water Development Fund	Stock Workers' Compensation Security Fund	Transportation Rehabilitation and Improvement Fund of 1979	Unclaimed Bank Deposits Escheat Reserve Fund
$ 188	$ (292,853)	$ 5,492	$ (55,031)	$ 5,876	$ 1,188
--	--	--	27,965,547	--	--
712,525	4,997,756	--	--	--	--
--	--	--	267,000	--	--
--	--	--	--	--	--
--	--	--	665,977	--	--
7,883,909	22,051,544	1,132,078	5,349,029	46,002,763	3,194,341
--	85,000,000	--	--	425,500,000	--
$ 8,596,622	$ 111,756,447	$ 1,137,570	$ 34,192,522	$ 471,508,639	$ 3,195,529
$ --	$ --	$ --	$ --	$ --	$ --
3,861,020	57,876,453	81,720	253,710	24,625,556	--
1,411,032	2,768,798	126,485	--	107,763	--
--	--	--	--	--	--
5,272,052	60,645,251	208,205	253,710	24,733,319	--
--	--	--	13,290	--	--
--	--	--	--	--	--
3,324,570	46,442,755	929,365	--	236,804,163	--
--	4,668,441	--	33,925,522	209,971,157	3,195,529
3,324,570	51,111,196	929,365	33,938,812	446,775,320	3,195,529
$ 8,596,622	$ 111,756,447	$ 1,137,570	$ 34,192,522	$ 471,508,639	$ 3,195,529

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

	Unclaimed Domestic Life Insurance Escheat Reserve Fund	Unclaimed Personal Property Trust Fund	Unemployment Benefits Liability Fund
ASSETS			
CASH			
Demand accounts	$ 5,589	$ 51,188	$ 15,706
INVESTMENTS AT BOOK VALUE	--	--	--
RECEIVABLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	413,560	3,528,225	6,023,194
Amount to be provided from sale of bonds	--	--	--
Total Assets	$ 419,149	$ 3,579,413	$ 6,038,900
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and encumbrances	$ --	$ --	$ --
Current fiscal year	--	--	--
Due to other funds	--	--	2,549,604
Other	--	--	--
Total Liabilities	--	--	2,549,604
FUND BALANCES			
Reserved	--	--	--
Unreserved	--	--	--
Designated for subsequent years' expenditures	--	--	--
Undesignated	419,149	3,579,413	3,489,296
Total Fund Balances	419,149	3,579,413	3,489,296
Total Liabilities and Fund Balances	$ 419,149	$ 3,579,413	$ 6,038,900

The accompanying notes are an integral part of the financial statements.

Unemployment Compensation Auxiliary Fund	Unsatisfied Claim and Judgment Fund	Veterans' Guaranteed Loan Fund	Water Conservation Fund	Total Trust and Agency Funds
$ 66,793	$ (40,753)	$ 4,735	$ 2,709	$ (8,247,715)
4,517,131	8,961,553	--	7,497,221	4,796,150,048
--	--	--	--	24,546,058
--	8,185,624	--	--	27,990,315
--	--	--	10,703,260	24,170,717
--	345,797	--	318,750	55,880,824
--	10,628,198	449,943	27,899,896	396,030,728
--	--	--	50,000,000	834,500,000
$ 4,583,924	$ 28,080,419	$ 454,678	$ 96,421,836	$ 6,151,020,975
$ --	$ --	$ --	$ --	$ --
--	87,039	--	24,572,457	170,421,590
--	442,222	--	4,458,650	856,734,286
--	--	--	--	4,067,461,189
--	529,261	--	29,031,107	5,094,617,065
--	--	--	10,703,260	39,124,533
--	--	--	--	--
--	--	--	56,687,469	445,668,614
4,583,924	27,551,158	454,678	--	571,610,763
4,583,924	27,551,158	454,678	67,390,729	1,056,403,910
$ 4,583,924	$ 28,080,419	$ 454,678	$ 96,421,836	$ 6,151,020,975

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Beaches and Harbor Fund	Clean Waters Fund	College of Medicine and Dentistry of New Jersey Construction Grant Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	1,038,404	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	--	--	--
Other	49,730	--	--
Total Revenues	1,088,134	--	--
Other Increases			
Transfers from other funds	605,705	2,560,978	1,175,483
Amount to be provided from sale of bonds	20,000,000	44,000,000	--
Proceeds from sale of bonds	5,000,000	--	--
Other	--	--	--
Total Other Increases	25,605,705	46,560,978	1,175,483
Total Revenues and Other Increases	26,693,839	46,560,978	1,175,483
EXPENDITURES			
Protection of persons and property	--	--	--
Education and intellectual development	--	--	143,560
Community development and environmental management	3,060,826	1,567,231	--
Economic development and income protection	--	--	--
Transportation	--	--	--
General governmental affairs	--	--	--
Total Expenditures	3,060,826	1,567,231	143,560
OTHER DECREASES			
Transfers to other funds	614,698	2,560,978	--
Other	--	--	--
Total Other Decreases	614,698	2,560,978	--
Total Expenditures and Other Decreases	3,675,524	4,128,209	143,560
Net Increase (Decrease) in Fund Balances for the Year	23,018,315	42,432,769	1,031,923
FUND BALANCES - JULY 1, 1979	5,176,950	(20,370,720)	166,608
FUND BALANCES - JUNE 30, 1980	$ 28,195,265	$ 22,062,049	$ 1,198,531

The accompanying notes are an integral part of the financial statements.

College of Medicine and Dentistry of New Jersey Endowment Fund	College of Medicine and Dentistry of New Jersey Endowment Fund "B"	College of Medicine and Dentistry of New Jersey Grant Fund	College of Medicine and Dentistry of New Jersey Grant Fund "B"	College of Medicine and Dentistry of New Jersey Self-Insurance Reserve Fund	Common Pension Fund "A"
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	437,402	--	--
--	--	--	--	--	--
--	--	--	--	--	--
22,842	413,582	22,269	13,237	1,503,636	63,724,677
--	--	--	--	--	--
22,842	413,582	22,269	450,639	1,503,636	63,724,677
28,525	42,716	8,195	117,921	351,103	2,939,205
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
28,525	42,716	8,195	117,921	351,103	2,939,205
51,367	456,298	30,464	568,560	1,854,739	66,663,882
--	--	--	--	206,198	--
15,793	442,907	29,497	81,123	--	--
--	--	--	--	--	--
--	--	--	--	--	66,663,882
--	--	--	--	--	--
--	--	--	--	--	--
15,793	442,907	29,497	81,123	206,198	66,663,882
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
15,793	442,907	29,497	81,123	206,198	66,663,882
35,574	13,391	967	487,437	1,648,541	--
242,736	5,909,299	368,931	992,901	3,181,479	--
$ 278,310	$ 5,922,690	$ 369,898	$ 1,480,338	$ 4,830,020	$ --

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Common Pension Fund "B"	Common Pension Fund "C"	Disability Benefit Liability Fund
REVENUES			
Taxes	$ --	$ --	$ 1,225,704
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	161,683,870	12,260,638	--
Other	--	--	--
Total Revenues	161,683,870	12,260,638	1,225,704
OTHER INCREASES			
Transfers from other funds	4,091,895	222,363	605,689
Amount to be provided from sale of bonds	--	--	--
Proceeds from the sale of bonds	--	--	--
Other	--	--	--
Total Other Increases	4,091,895	222,363	605,689
Total Revenues and Other Increases	165,775,765	12,483,001	1,831,393
EXPENDITURES			
Protection of persons and property	--	--	--
Education and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic development and income protection	165,775,765	12,483,001	--
Transportation	--	--	--
General governmental affairs	--	--	--
Total Expenditures	165,775,765	12,483,001	--
OTHER DECREASES			
Transfers to other funds	--	--	1,560,717
Other	--	--	--
Total Other Decreases	--	--	1,560,717
Total Expenditures and Other Decreases	165,775,765	12,483,001	1,560,717
Net Increase (Decrease) in Fund Balances for the Year	--	--	270,676
FUND BALANCES - JULY 1, 1979	--	--	--
FUND BALANCES - JUNE 30, 1980	$ --	$ --	$ 270,676

The accompanying notes are an integral part of the financial statements.

1837 Surplus Revenue Fund	Emergency Flood Control Fund	Emergency Services Fund	General Revenue Sharing Fund	Higher Education Assistance Fund	Housing Assistance Fund
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	75,390,769	1,794,546	--
--	--	--	--	1,812,481	--
--	--	--	--	--	--
29,646	--	44,127	--	--	--
--	--	--	--	397,350	1,519,681
29,646	--	44,127	75,390,769	4,004,377	1,519,681
24,627	1,234,068	216,662	69	1,403,848	2,397
--	15,000,000	--	--	--	--
--	--	--	--	--	--
--	--	--	--	1,290,275	--
24,627	16,234,068	216,662	69	2,694,123	2,397
54,273	16,234,068	260,789	75,390,838	6,698,500	1,522,078
--	--	--	--	--	--
--	--	--	--	1,525,530	--
--	56,654	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	91,854	--	--	--
--	56,654	91,854	--	1,525,530	--
54,273	1,234,068	--	75,390,840	--	2,397
--	--	--	--	7,506,880	--
54,273	1,234,068	--	75,390,840	7,506,880	2,397
54,273	1,290,722	91,854	75,390,840	9,032,410	2,397
--	14,943,346	168,935	(2)	(2,333,910)	1,519,681
764,670	10,000,000	2,152,765	4	22,185,261	9,883,081
$ 764,670	$ 24,943,346	$ 2,321,700	$ 2	$ 19,851,351	$ 11,402,762

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Medical Education Facilities Fund	Mortgage Assistance Fund	Motor Vehicle Liability Security Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	523,659	--	82,496
Other	--	2,373,831	--
Total Revenues	523,659	2,373,831	82,496
OTHER INCREASES			
Transfers from other funds	2,371,904	58,949	212,040
Amount to be provided from sale of bonds	--	5,000,000	--
Proceeds from sale of bonds	--	3,000,000	--
Other	--	--	611,791
Total Other Increases	2,371,904	8,058,949	823,831
Total Revenues and Other Increases	2,895,563	10,432,780	906,327
EXPENDITURES			
Protection of persons and property	--	--	--
Education and intellectual development	11,786,129	--	--
Community development and environmental management	--	3,374,186	--
Economic development and income protection	--	--	--
Transportation	--	--	--
General governmental affairs	60,259	--	--
Total Expenditures	11,846,388	3,374,186	--
OTHER DECREASES			
Transfers to other funds	2,895,563	124,674	--
Other	--	--	5,136,939
Total Other Decreases	2,895,563	124,674	5,136,939
Total Expenditures and Other Decreases	14,741,951	3,498,860	5,136,939
Net Increase (Decrease) in Fund Balances for the Year	(11,846,388)	6,933,920	(4,230,612)
FUND BALANCES - JULY 1, 1979	26,045,377	424,709	11,249,771
FUND BALANCES - JUNE 30, 1980	14,198,989	7,358,629	7,019,159

The accompanying notes are an integral part of the financial statements.

Motor Vehicle Security Responsibility Fund	Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund	NJ Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund	New Jersey State Area Redevelopment Fund
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	579,265	--	--	--
--	--	995,771	--	11,319,170	--
--	452,785	--	--	--	44,047
--	41,156	--	7,346	--	--
--	493,941	1,575,036	7,346	11,319,170	44,047
70,565	49,226	127,213	40,005	884,348	24,683
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	2,803
70,565	49,226	127,213	40,005	884,348	27,486
70,565	543,167	1,702,249	47,351	12,203,518	71,533
--	--	--	--	10,157,646	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	184,406	--	--	616,610
--	--	--	--	--	--
--	--	--	7,920	--	--
--	--	184,406	7,920	10,157,646	616,610
70,565	--	--	--	--	--
--	--	--	45,461	--	25,198
70,565	--	--	45,461	--	25,198
70,565	--	184 406	53,381	10,157,646	641,808
--	543,167	1,517,843	(6,030)	2,045,872	(570,275)
--	7,433,109	287,002	429,297	6,008,608	570,275
--	7,976,276	1,804,845	423,267	8,054,480	--

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Outstanding Checks Account	Real Estate Guaranty Fund	Rutgers Medical School Restricted Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	100,000
Licenses and fees	--	37,590	--
Services and assessments	--	--	--
Investment earnings	--	--	129,996
Other	--	--	--
Total Revenues	--	37,590	229,996
OTHER INCREASES			
Transfers from other funds	207,297	58,254	359,596
Amount to be provided from sale of bonds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Increases	207,297	58,254	359,596
Total Revenues and Other Increases	207,297	95,844	589,592
EXPENDITURES			
Protection of persons and property	--	16,701	--
Education and intellectual development	--	--	476,839
Community development and environmental management	--	--	--
Economic development and income protection	--	--	--
Transportation	--	--	--
General governmental affairs	--	--	--
Total Expenditures	--	16,701	476,839
OTHER DECREASES			
Transfers to other funds	207,297	--	1,175,438
Other	--	--	--
Total Other Decreases	207,297	--	1,175,438
Total Expenditures and Other Decreases	207,297	16,701	1,652,277
Net Increase (Decrease) in Fund Balances for the Year	--	79,143	(1,062,685)
FUND BALANCES - JULY 1, 1979	--	469,058	4,294,819
FUND BALANCES - JUNE 30, 1980	$ --	$ 548,201	$ 3,232,134

The accompanying notes are an integral part of the financial statements.

School Building Aid Capital Reserve Fund	School Fund	Special Railroad Deposits Trust Fund	State Land Acquisition and Development Fund	State of New Jersey Cash Management Fund	State of New Jersey-Tischler Memorial Fund
$ --	$ --	$ --	$ --	$ --	$ --
--	881,019	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
23,026	1,706,905	--	--	106,223,037	34,809
--	--	--	--	--	--
23,026	2,587,924	--	--	106,223,037	34,809
369,119	882,995	1,901	1,234,402	--	7,260
--	--	--	190,000,000	--	--
--	--	--	--	--	--
--	--	--	--	--	--
369,119	882,995	1,901	191,234,402	--	7,260
392,145	3,470,919	1,901	191,234,402	106,223,037	42,069
--	--	--	--	--	--
392,145	--	--	--	--	20,000
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	6,654	--	--
392,145	--	--	6,654	--	20,000
--	2,589,900	1,901	1,234,402	58,197,094	--
--	--	--	--	47,855,758	--
--	2,589,900	1,901	1,234,402	106,052,852	--
392,145	2,589,900	1,901	1,241,056	106,052,852	20,000
--	881,019	--	189,993,346	170,185	22,069
--	33,615,122	--	10,000,000	24,982	446,460
$ --	$ 34,496,141	$ --	$ 199,993,346	$ 195,167	$ 468,529

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	State Recreation and Conservation Land Acquisition Fund 1961	State Recreation and Conservation Land Acquisition Fund 1971	State Recreation and Conservation Land Acquisition and Development Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	600,000	4,677,266
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	--	87,534	88,245
Other	--	--	18,132
Total Revenues	--	687,534	4,783,643
OTHER INCREASES			
Transfers from other funds	554	750,521	2,662,421
Amount to be provided from sale of bonds	--	--	85,000,000
Proceeds from sale of bonds	--	--	10,000,000
Other	--	--	--
Total Other Increases	554	750,521	97,662,421
Total Revenues and Other Increases	554	1,438,055	102,446,064
EXPENDITURES			
Protection of persons and property	--	--	--
Education and intellectual development	--	--	--
Community development and environmental management	25,475	525,766	49,408,554
Economic development and income protection	--	--	--
Transportation	--	--	--
General governmental affairs	--	--	--
Total Expenditures	25,475	525,766	49,408,554
OTHER DECREASES			
Transfers to other funds	554	838,055	2,768,798
Other	--	--	--
Total Other Decreases	554	838,055	2,768,798
Total Expenditures and Other Decreases	26,029	1,363,821	52,177,352
Net Increase (Decrease) in Fund Balances for the Year	(25,475)	74,234	50,268,712
FUND BALANCES - JULY 1, 1979	25,475	3,250,336	842,484
FUND BALANCES - JUNE 30, 1980	$ --	$ 3,324,570	$ 51,111,196

The accompanying notes are an integral part of the financial statements.

State Water Development Fund	Stock Workers' Compensation Security Fund	Transportation Rehabilitation and Improvement Fund of 1979	Unclaimed Bank Deposits Escheat Reserve Fund	Unclaimed Domestic Life Insurance Escheat Reserve Fund	Unclaimed Personal Property Trust Fund
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	396,132	--	--	--	--
--	2,381,213	--	44,126	--	--
--	145,000	90,469	5,551,682	406,625	4,253,475
--	2,922,345	90,469	5,595,808	406,625	4,253,475
126,485	463,856	17,294	446,215	66,467	433,649
--	--	425,500,000	--	--	--
--	--	49,500,000	--	--	--
--	--	--	--	--	--
126,485	463,856	475,017,294	446,215	66,467	433,649
126,485	3,386,201	475,107,763	6,042,023	473,092	4,687,124
--	--	--	--	--	--
--	--	--	--	--	--
84,154	--	--	--	--	--
--	145,000	--	--	--	--
--	--	28,224,680	--	--	--
--	--	--	217,831	23,897	209,899
84,154	145,000	28,224,680	217,831	23,897	209,899
126,485	--	107,763	4,211,850	304,422	3,373,874
--	--	--	--	--	1,837,595
126,485	--	107,763	4,211,850	304,422	5,211,469
210,639	145,000	28,332,443	4,429,681	328,319	5,421,368
(84,154)	3,241,201	446,775,320	1,612,342	144,773	(734,244)
1,013,519	30,697,611	--	1,583,187	274,376	4,313,657
$ 929,365	$ 33,938,812	$ 446,775,320	$ 3,195,529	$ 419,149	$ 3,579,413

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	Unemployment Benefits Liability Fund	Unemployment Compensation Auxiliary Fund
REVENUES		
Taxes	$ 2,941,362	$ --
Federal and other grants	--	--
Licenses and fees	--	3,828,408
Services and assessments	--	--
Investment earnings	2,319	730,079
Other	--	--
Total Revenues	2,943,681	4,558,487
OTHER INCREASES		
Transfers from other funds	4,323,048	--
Amount to be provided from sale of bonds	--	--
Proceeds from sale of bonds	--	--
Other	--	--
Total Other Increases	4,323,048	--
Total Revenues and Other Increases	7,266,729	4,558,487
EXPENDITURES		
Protection of persons and property	--	--
Education and intellectual development	--	--
Community development and environmental management	--	--
Economic development and income protection	--	--
Transportation	--	--
General governmental affairs	--	--
Total Expenditures	--	--
OTHER DECREASES		
Transfers to other funds	7,049,597	5,525,715
Other	--	--
Total Other Decreases	7,049,597	5,525,715
Total Expenditures and Other Decreases	7,049,597	5,525,715
Net Increase (Decrease) in Fund Balances for the Year	217,132	(967,228)
FUND BALANCES - JULY 1, 1979	3,272,164	5,551,152
FUND BALANCES - JUNE 30, 1980	$ 3,489,296	$ 4,583,924

The accompanying notes are an integral part of the financial statements.

Unsatisfied Claim and Judgment Fund	Veterans' Guaranteed Loan Fund	Water Conservation Fund	Total Trust and Agency Funds
$ --	$ --	$ --	$ 4,167,066
--	--	--	84,919,406
10,505	--	--	6,268,249
6,369,557	--	--	19,080,630
555,134	--	540,684	353,368,618
375,248	419	127,619	15,357,763
7,310,444	419	668,303	483,161,732
1,220,917	46,948	3,790,747	36,940,328
--	--	50,000,000	834,500,000
--	--	--	67,500,000
--	--	--	1,904,869
1,220,917	46,948	53,790,747	940,845,197
8,531,361	47,367	54,459,050	1,424,006,929
--	--	--	10,380,545
--	--	--	14,913,523
--	--	9,058,006	67,160,852
1,662,029	--	--	247,530,693
--	--	--	28,224,680
--	16,039	--	634,353
1,662,029	16,039	9,058,006	368,844,646
442,222	--	4,458,650	177,122,790
11,428,376	1,495,787	--	75,331,994
11,870,598	1,495,787	4,458,650	252,454,784
13,532,627	1,511,826	13,516,656	621,299,430
(5,001,266)	(1,464,459)	40,942,394	802,707,499
32,552,424	1,919,137	26,448,335	253,696,411
$ 27,551,158	$ 454,678	$ 67,390,729	$ 1,056,403,910

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
DESCRIPTION OF FUNDS
YEAR ENDED JUNE 30, 1980

BEACHES AND HARBOR FUND (P.L. 1977, c.208)

An amount of $30,000,000 was authorized for purposes of researching, planning, acquiring, developing, constructing, and maintaining beaches and harbors.

CLEAN WATERS FUND (P.L. 1976, c. 92)

An amount of $120,000,000 was authorized for the purposes of researching, planning, acquiring, developing, constructing, and maintaining water supply and waste water treatment facilities.

COLLEGE OF MEDICINE AND DENTISTRY OF NEW JERSEY CONSTRUCTION GRANT FUND
COLLEGE OF MEDICINE AND DENTISTRY OF NEW JERSEY ENDOWMENT FUND
COLLEGE OF MEDICINE AND DENTISTRY OF NEW JERSEY ENDOWMENT FUND "B"
COLLEGE OF MEDICINE AND DENTISTRY OF NEW JERSEY GRANT FUND
COLLEGE OF MEDICINE AND DENTISTRY OF NEW JERSEY GRANT FUND "B"
(52:18A-90.1)

Moneys in these funds formerly managed by the College of Medicine and Dentistry were turned over to the State for investment management purposes. The funds plus earnings are returnable to the College.

SELF-INSURANCE RESERVE FUND

This fund is established by a trust agreement between the State and the College of Medicine and Dentistry to cover malpractice claims against the hospitals and the College. Fund deposits are managed by the Division of Investment with earnings increasing the fund. This type of insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the authority's bondholders.

COMMON PENSION FUND "A"
COMMON PENSION FUND "B" (52:18A-90.1)
COMMON PENSION FUND "C"

The Division of Investment is authorized to establish, maintain, and operate common trust funds. Pension deposits from various funds are transferred for investment purposes to these common pension funds. Funds representing original sums plus accumulated earnings are then returned to the Division of Pensions and credited to the respective pension funds.

DISABILITY BENEFIT LIABILITY FUND (43:21-27)

Established to account for amounts withheld from State employees salaries for State employees disability benefits and for the State's share of funds appropriated therefore by the annual appropriation acts, which in total are transferred to the State Disability Benefit Fund.

1837 SURPLUS REVENUE FUND (52:8-4)

The fund was established to account for the funds returned from the several counties of the State, which had been previously transmitted by the State from surplus revenue of 1837 received from the federal government. The principal amount of the surplus revenue of 1837 is considered to be returnable to the federal government.

EMERGENCY FLOOD CONTROL FUND (P.L. 1978, c. 78)

An amount of $25,000,000 was authorized for the purposes of acquiring, developing, constructing, and maintaining flood control facilities and for the development of a comprehensive flood control master plan.

EMERGENCY SERVICES FUND (52:14E-5)

Established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

GENERAL REVENUE SHARING FUND

Federal regulations require the establishment of this fund to account for federal revenue sharing moneys. Funds are credited then transferred to the General Fund for expenditures as appropriated by the Legislature.

GENERAL TRUST FUND (52:18-25.2b)

The principal amount of unredeemed bonds and coupons over two years old are withdrawn from bank accounts and deposited in this fund for investment. When presented for payment these overdue bonds and coupons are redeemed from this fund.

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
DESCRIPTION OF FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 1980

HIGHER EDUCATION ASSISTANCE FUND (18A-72-8)

The purpose is to account for funds guaranteeing loans made by financial institutions to assist qualified persons in meeting the costs of higher education in certain educational institutions. Defaulted loans are purchased from the financial institutions. A direct loan program has subsequently been added to the fund activities.

HOUSING ASSISTANCE FUND (P.L. 1968, c. 127)

An amount of $12,500,000 was authorized for the purposes of making interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing. Also, to provide financial assistance to qualified housing developments, constructed, financed, or rehabilitated under federal law and moderate income financing programs.

MEDICAL EDUCATION FACILITIES FUND (P.L. 1977, c. 235)

An amount of $120,000,000 was authorized for the purpose of refinancing revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, so as to reduce interest costs for the construction of the teaching hospital at the College of Medicine and Dentistry of New Jersey, and such authorization also provided substantial savings ($25 million) which are available for the construction of other medical facilities.

MORTGAGE ASSISTANCE FUND (P.L. 1976, c. 94)

An amount of $25,000,000 was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a Neighborhood Preservation Program.

MOTOR VEHICLE LIABILITY SECURITY FUND (39:6-94)

The purpose is to account for moneys credited from receipts of insurers authorized to deal in vehicle liability insurance for New Jersey motor vehicles. The act provides for the payment of remaining benefits payable in the event of insolvency of the insurer.

MOTOR VEHICLE SECURITY-RESPONSIBILITY FUND (39:6-30.1)

The purpose is to account for security deposits made by motorists not having the required minimum motor vehicle insurance coverage in this state, who have been involved in a motor vehicle accident resulting in bodily injury or death, and/or property damage. The deposits may be disbursed in satisfaction of judgments rendered and/or the return to the motorist of such unused portion upon release of liability.

MUTUAL WORKERS' COMPENSATION SECURITY FUND
STOCK WORKERS' COMPENSATION SECURITY FUND (34:15-112 and 105)

The purpose is to account for moneys received from assessments levied against Mutual and Stock insurance carriers writing workers' compensation insurance in this state. Payments from the Mutual or Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a Mutual or Stock carrier is determined to be insolvent.

NEW HOME WARRANTY SECURITY FUND (46:3B-7)

The purpose is to account for moneys received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

NEW JERSEY FEDERAL-STATE RURAL REHABILITATION FUND

Established under the authority of the State Treasurer from funds received from the federal government and previously accounted for by the Department of Agriculture. The moneys herein are made available for loans to farmers in New Jersey.

NEW JERSEY INSURANCE DEVELOPMENT FUND (17:37A-18)

The purpose is to account for receipts derived from a surcharge of all basic property insurance premiums paid for by policies of insurance written in this state, collected by the insurer, and remitted to the State. Payments from the Fund are used to reimburse any insurer or the New Jersey Insurance Underwriting Association for losses sustained. The reimbursement in any given calendar year shall not however, exceed 5 percent of the insurance premiums written on essential property insurance in the State in the most recent full calendar year.

NEW JERSEY STATE AREA REDEVELOPMENT FUND (13:1B-15.21)

The purpose is to account for an amount appropriated and transferred from the General Fund and for amounts received from the Unclaimed Personal Property Trust Fund and repayable thereto in thirty years. The moneys are used for interest bearing loans to area development agencies or enterprises. The Governor submitted on February 23, 1978, a reorganization plan transferring the functions of the Area Redevelopment Authority to the New Jersey Economic Development Authority in, but not of, the Department of Labor and Industry.

OUTSTANDING CHECKS ACCOUNT (52:18-25.1)

The purpose is to account for amounts withdrawn from state demand bank accounts, over which the State Treasurer has custody and control, which represent outstanding and unpaid checks over one year old. These amounts are held until (a) the outstanding check is present for payment, or (b) the check has been outstanding for a period of six years, in which case the amount is transferred over to the General Fund.

REAL ESTATE GUARANTY FUND (45:15-34)

The purpose is to account for moneys received from additional fees on annual licenses of real estate brokers and real estate salesmen. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

RUTGERS MEDICAL SCHOOL--RESTRICTED FUND (52:18A-90.1)

The purpose is to permit the Division of Investment to establish, maintain, and operate one or more common trust funds. Moneys in the above fund, formerly held and maintained by Rutgers University, were turned over to the State for investment management purposes and are returnable, together with the investment earnings to the University.

SCHOOL BUILDING AID--CAPITAL RESERVE FUND (18:10-29.54)

The purpose is to maintain a building aid reserve fund for each school district having funds on deposit as of September, 1975. These deposits as of that date, together with amounts credited from investment earnings to each school district may be disbursed for: (1) principal and interest payments to holders of bonds issued by the school district after the effective date of the act, when such school district has certified to the Commissioner of Education and the Director of the Division of Local Government Services its inability to meet the payments thereof; (2) payments to the school district up to the balance of the credit of such school district, to the extent that such withdrawal is anticipated as revenue in the school district budget for the current year, or withdrawn for capital purposes authorized by ordinance or by vote of the electors of the school district.

SCHOOL FUND (P.L. 1903, c. 1)

This fund was formerly known as "Fund for the Support of Free Schools." The constitution of 1844 provided that such fund for the support of free schools remain a perpetual fund (now Article VII, Section IV, Paragraph 2). The accounting for the moneys deposited and expended is recorded by the use of two funds, i.e. School Fund--Income Account, and School Fund--Investment Account.

The School Fund--Income Account is utilized for all items of income to the School Fund which may consist of rents received on leased riparian lands of the State, licenses, and fees related to such lands, and the income from earnings on investments. The income is appropriated by the annual appropriation acts for the support of free public schools. The income of the fund is then transferred to the General Fund in support of such appropriations.

The School Fund--Interest Account is utilized for the proceeds of the sale of riparian lands of the State which are held and reserved as a perpetual fund. Moneys reserved may be used to purchase bonds of a school district, issued for school purposes after December 4, 1958, from the bond holders or to pay to such bond holders the interest due thereon when such school district has certified to the Commissioner of Education and the Director of Local Government Services its inability to meet the payments.

SPECIAL RAILROAD DEPOSITS TRUST FUND (48:12-25)

The purpose is to account for moneys deposited with the State Treasurer by railroad companies prior to construction of railroad branch lines. Payments from these funds may be made in the form of returns of deposits upon proper certification to the State Treasurer of the completion of the branch line. Earnings on the investment of such deposits accrue to the credit of the General Fund.

STATE EMPLOYEES' DENTAL CARE DEDUCTION FUND
STATE EMPLOYEES' HEALTH BENEFITS DEDUCTIONS FUND
STATE EMPLOYEES' MISCELLANEOUS DEDUCTIONS FUND

Established under the authority of the State Treasurer to account for amounts authorized by State employees to be withheld bi-weekly from their salary for the Dental Care Program, the Health Benefits Program, and/or Miscellaneous Programs such as the United Fund, etc. Payments from each of the respective funds, as authorized, are made to various organizations such as the Blue Cross/Blue Shield, various United Funds, unions, dentists, etc.

STATE LAND ACQUISTION AND DEVELOPMENT FUND (P.L. 1978, c. 118)

An amount of $200,000,000 was authorized for state and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

STATE OF NEW JERSEY CASH MANAGEMENT FUND (52:18-90.4)

The purpose is to create a common trust fund to consolidate moneys for investment. Money from various bond funds, trust funds, and agency funds are used to purchase units of value in the State of New Jersey Cash Management Fund. The law also permits participation in the fund by municipalities, counties, school districts, or other public body corporate and politic.

STATE OF NEW JERSEY--TISCHLER MEMORIAL FUND

Established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey, the principal amount of which is to be invested in a prudent manner and the income from such investment to be used for library materials.

STATE RECREATION AND CONSERVATION LAND ACQUISITION FUND
(P.L. 1961, c. 46)

An amount of $60,000,000 was authorized to enable the State to acquire lands and to provide for state grants to assist municipalities and counties or other units of local government to acquire lands for conservation and recreation purposes.

STATE RECREATION AND CONSERVATION LAND ACQUISITION FUND
(P.L. 1971, c. 165)

An amount of $80,000,000 was authorized to enable the State to acquire lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire lands for recreation and conservation purposes.

STATE RECREATION AND CONSERVATION LAND ACQUISITION AND DEVELOPMENT FUND
(P.L. 1974, c. 102)

An amount of $200,000,000 was authorized to enable the State to acquire and develop lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire and develop lands for recreation and conservation purposes.

STATE WATER DEVELOPMENT FUND (P.L. 1958, c. 35)

An amount of $45,850,000 was authorized for the purpose of researching, acquiring, constructing, and developing water supplies for potable, industrial, irrigational, and other purposes.

TRANSPORTATION REHABILITATION AND IMPROVEMENT FUND OF 1979
(P.L. 1979, c. 165)

An amount of $475,000,000 was authorized for the purpose of providing an improved transportation system for the State. Of this amount, $150,000,000 was reserved for the improvement of public transportation facilities; $80,000,000 was reserved for the improvement of county and municipal roads and $245,000,000 was reserved for the improvement of State highways. The proceeds from the sale of such bonds shall not be used to purchase or acquire bus companies.

UNCLAIMED BANK DEPOSITS ESCHEAT RESERVE FUND (17:9-25b)

The purpose is to account for money received from banks located within the State, representing unclaimed balances of depositors' deposits which after ten years are escheatable to the State. Seventy-five percent of the receipts are escheated to the General Fund of the State. The remaining 25 percent are retained in the Fund. Earnings on the investment of the moneys of the fund inure to the credit of the Fund.

Payments from the Fund are authorized for (a) payment of the 75 percent that escheats to the General Fund of the State; (b) payments of claims submitted and approved of the principal amounts escheated; and (c) for the payment of expenses and costs incurred by the State Treasurer and the Attorney General for administrative purposes.

UNCLAIMED DOMESTIC LIFE INSURANCE ESCHEAT RESERVE FUND (17:34-54)

The purpose is to account for any unclaimed moneys received from insurance companies authorized to write life insurance in the State, due and payable to any person entitled and which has remained unclaimed after a five-year period. Seventy-five percent of the receipts are escheated to the General Fund. The remaining 25 percent is retained for a period of another five years, at which time if still unclaimed also escheats to the General Fund.

Payments from the fund are authorized for transferring of those amounts escheatable to the General Fund and for the payment of any approved claim to or in behalf of any person entitled to receive the same. Earnings on any funds invested are also authorized to be transferred to the General Fund.

STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
DESCRIPTION OF FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 1980

UNCLAIMED PERSONAL PROPERTY TRUST FUND (2A:37-41)

Amounts received by the State from holders of personal property, presumed abandoned, due and payable to owners of last known address but unclaimed for various past successive years, are received into this fund. Seventy-five percent of such amounts are escheated to the General Fund when received. The remaining 25 percent is retained in the fund for five years. Payments from the fund are authorized for loans by legislation as enacted by the Legislature and approved by the Governor. Payments of claims presented by the owner are made after approval by the State Treasurer. The balance of the 25 percent retained for the five-year period which have not been claimed by the owners are then escheatable to the General Fund. Amounts representing unclaimed pensions do not escheat to the State. Such amounts escheat back to the respective pension fund from where payable. Should any claim approved for payment exceed the balance of moneys available herein, the difference is payable out of unappropriated funds of the General Fund.

UNEMPLOYMENT BENEFITS LIABILITY FUND (43:21-7.3f)

The purpose is to account for receipts of wage earners' contributions withheld on wages subject to the Unemployment Compensation Law, paid to persons employed by the State, and the receipt of amounts appropriated to the General Fund by the Legislature and transferred hereinto as the employer's share of contributions. Payments are made directly to the Unemployment Compensation Fund of the State as reimbursements to that fund for unemployment benefits paid to persons formerly employed by the State and eligible to receive such benefits.

UNEMPLOYMENT COMPENSATION AUXILIARY FUND (43:21-14g)

The purpose is to account for amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis.

Payments from the fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by legislative appropriations for the administrative costs of the Unemployment Compensation Law and for the costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, economic development activities, business advocacy functions, etc.

UNSATISFIED CLAIM AND JUDGMENT FUND (39:6-63)

The purpose is to account for receipts from insurance companies, as assessed by the Director of the Division of Motor Vehicles; recoveries on judgments entered against uninsured motorists, and amounts credited from earnings on investments.

Payments are authorized for amounts of approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

VETERANS' GUARANTEED LOAN FUND (38:23B-5)

The purpose is to account for funds that guarantee bank loans to certain war veterans. Upon request by the lending bank, a loan to a veteran evidenced by non-payment of the loan thirty days after date of maturity or evidenced by unpaid installments more than three months in arrears, together with any unpaid accrued interest, may be purchased by the fund upon approval of the Veterans' Loan Authority. The Authority thereupon assumes the responsibility for the collection of the defaulted loan and any accrued interest thereon that has been purchased from the bank by the fund. Receipts are applied against the principal and/or interest of the defaulted loan, as are investment earnings. Payments from the fund are also authorized for all administrative expenses.

WATER CONSERVATION FUND (P.L. 1969, c. 127)

An amount of $271,000,000 was authorized for the purpose of researching, planning, acquiring, developing, constructing, and maintaining water supply and waste water treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

GENERAL LONG TERM DEBT ACCOUNT GROUP

STATE OF NEW JERSEY
STATEMENT OF GENERAL LONG TERM DEBT
JUNE 30, 1980

	ACT OF	AUTHORIZED	UNISSUED	RETIRED	OUTSTANDING
Beaches and Harbors	1977	$ 30,000,000	$ 20,000,000	$ --	$ 10,000,000
Clean Waters	1976	120,000,000	44,000,000	3,480,000	72,520,000
Emergency Flood Control	1978	25,000,000	15,000,000	--	10,000,000
Higher Education Construction	1971	155,000,000	--	23,000,000	132,000,000
Highway Improvement	1930	58,000,000	--	54,350,000	3,650,000
Institutional Construction	1978	100,000,000	75,000,000	--	25,000,000
Institutions Construction	1976	80,000,000	34,000,000	840,000	45,160,000
Medical Education Facilities	1977	120,000,000	--	--	120,000,000
New Jersey Institutions Construction	1964	50,000,000	--	21,200,000	28,800,000
Public Building Construction	1968	337,500,000	--	78,700,000	258,800,000
State Facilities for Handicapped	1973	25,000,000	--	2,600,000	22,400,000
State Higher Education Construction	1964	40,100,000	--	16,600,000	23,500,000
State Housing Assistance	1968	12,500,000	--	3,800,000	8,700,000
State Institution Construction	1960	40,000,000	--	27,500,000	12,500,000
State Land Acquisition and Development	1978	200,000,000	190,000,000	--	10,000,000
State Mortgage Assistance	1976	25,000,000	5,000,000	980,000	19,020,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000	85,000,000	10,020,000	104,980,000
State Recreation and Conservation Land Acquisition	1961	60,000,000	--	40,000,000	20,000,000
State Recreation and Conservation Land Acquisition	1971	80,000,000	--	9,460,000	70,540,000
State Transportation	1968	640,000,000	--	124,470,000	515,530,000
Transportation Rehabilitation and Improvement	1979	475,000,000	425,500,000	--	49,500,000
Water Conservation	1969	271,000,000	50,000,000	42,070,000	178,930,000
Water Development	1958	45,850,000	--	31,850,000	14,000,000
TOTAL		$ 3,189,950,000	$ 941,500,000	$ 490,920,000	$ 1,755,530,000

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN GENERAL LONG TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	ACT OF	OUTSTANDING JUNE 30, 1979	ISSUED	RETIRED	OUTSTANDING JUNE 30, 1980
Beaches and Harbors	1977	$ 5,000,000	$ 5,000,000	$ --	$ 10,000,000
Clean Waters	1976	73,750,000	--	1,230,000	72,520,000
Emergency Flood Control	1978	10,000,000	--	--	10,000,000
Higher Education Construction	1971	138,600,000	--	6,600,000	132,000,000
Highway Improvement	1930	4,340,000	--	690,000	3,650,000
Institutional Construction	1978	20,000,000	5,000,000	--	25,000,000
Institutions Construction	1976	35,460,000	10,000,000	300,000	45,160,000
Medical Education Facilities	1977	120,000,000	--	--	120,000,000
New Jersey Institutions Construction	1964	31,800,000	--	3,000,000	28,800,000
Public Building Construction	1968	272,700,000	--	13,900,000	258,800,000
State Facilities for Handicapped	1973	8,600,000	14,500,000	700,000	22,400,000
State Higher Education Construction	1964	26,300,000	--	2,800,000	23,500,000
State Housing Assistance	1968	9,300,000	--	600,000	8,700,000
State Institution Construction	1960	14,300,000	--	1,800,000	12,500,000
State Land Acquisition and Development	1978	10,000,000	--	--	10,000,000
State Mortgage Assistance	1976	16,370,000	3,000,000	350,000	19,020,000
State Recreation and Conservation Land Acquisition and Development	1974	98,310,000	10,000,000	3,330,000	104,980,000
State Recreation and Conservation Land Acquisition	1961	22,600,000	--	2,600,000	20,000,000
State Recreation and Conservation Land Acquisition	1971	73,370,000	--	2,830,000	70,540,000
State Transportation	1968	516,240,000	23,000,000	23,710,000	515,530,000
Transportation Rehabilitation and Improvement	1979	--	49,500,000	--	49,500,000
Water Conservation	1969	189,185,000	--	10,255,000	178,930,000
Water Development	1958	16,500,000	--	2,500,000	14,000,000
TOTAL		$ 1,712,725,000	$ 120,000,000	$ 77,195,000	$ 1,755,530,000

STATE OF NEW JERSEY
GENERAL LONG-TERM DEBT
YEAR ENDED JUNE 30, 1980

OVERVIEW

Bonds (the term "municipal bond" is generic and refers to all government financings, including state debt) are debt obligations issued to obtain funds for various public purposes, including the construction of a wide range of facilities such as highways, housing, mass transportation, sewer, water, parks, etc.

The two principal classifications of bonds are "general obligation" and "revenue" bonds. General obligation bonds are secured by the government's pledge of its faith, credit, and taxing power for the payment of principal and interest. Risk of financial loss is borne totally by the taxpayers. Debt issued by the state government is general obligation debt.

In contrast, revenue bonds are payable only from the revenues derived for a particular facility or class of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source. In New Jersey, revenue bonds are issued by authorities.

There are four types of public purpose capital financings through borrowing which are done by the State of New Jersey or through which the State supports through annual appropriations: (1) full faith and credit or direct debt; (2) authority financing; (3) lease agreements; and (4) state-aid for local educational financings. Because of their special characteristics and the difference in the extent to which the state government is liable for the related debt service, each type of debt is discussed separately. Authorities are discussed in a separate section; the other three instruments are discussed herein.

FULL FAITH AND CREDIT DEBT

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year)unless a referenda is approved by a majority of the legally qualified voters. The debt must be authorized by law for a single object or work distinctly specified. The authorizing law also provides the ways and means, exclusive of loans, to pay the interest on the debt, and also to pay the principal within thirty-five years from the time it is contracted.

The individual bond acts also provide that the payment of principal and interest be made from revenue derived from one or more specific source; namely, the Motor Fuels Tax, the Emergency Transportation Taxes, the Alcoholic Beverage Tax, the Inheritance Tax, the Cigarette Tax, Corporation Business Taxes, the Sales Tax, and water supply facility revenues. In effect, the payment of principal and interest on state debt has first lien on these revenue sources.

As a further guarantee on the state bonds, the bond acts also state that in the event that funds appropriated are not sufficient or not available, a tax shall be levied on all real and personal property in the State to insure principal and interest payment on the bonds. Such a property tax has never had to be levied.

OUTSTANDING BONDED DEBT

The citizens of New Jersey have authorized $3,189,950,000 in bonded debt—all of which is guaranteed by the full faith and credit of the State. Of this total authorization, $1,755,530,000 is issued and outstanding, $943,500,000 remained unissued, and $490,920,000 has been retired as of June 30, 1980. During fiscal year 1980, the State sold $120 million in bonds and retired $77,195,000 in debt.

In addition, the State guarantees payments on $81,937,000 bonds of the New Jersey Highway Authority due 1980-88, and payments on $297,045,000 bonds of the New Jersey Sports and Exposition Authority due 1980-20005. At the present time, it is believed that the revenues of these authorities will be sufficient to provide for payment of debt service on their obligations without recourse to the State's guarantee.

The $640 million State Transportation Bond Issue of 1968 represents the largest, single, voter-approved authorization—all of the bonds have been sold. The largest, single, unissued bond authorization is the 1979 Transportation Rehabilitation and Improvement Bond. Of the $475 million authorized, $425.5 million remains unissued.

The following list is the outstanding debt of the State at the close of the last ten fiscal years. A large portion of the increase reflects State support for local capital projects, as much of the outlay has been distributed in the form of state aid in such areas as community colleges, sewer and water construction, local parks and open spaces, housing construction, vocational schools, flood control, and shore protection.

STATE OF NEW JERSEY
GENERAL LONG-TERM DEBT
YEAR ENDED JUNE 30, 1980

OUTSTANDING DEBT OF THE STATE—TEN YEAR TREND

AS OF JUNE 30	OUTSTANDING	AS OF JUNE 30	OUTSTANDING
1980	$1,755,530,000	1975	$1,354,635,000
1979	1,712,725,000	1974	1,265,425,000
1978	1,589,105,000	1973	1,148,490,000
1977	1,533,220,000	1972	1,024,245,000
1976	1,360,320,000	1971	742,810,000

LEASE AGREEMENTS

The administration of the State's office space is the responsibility of the Director, Division of Purchase and Property, Department of the Treasury. Each lease over twelve months in duration must be approved in advance by the State Treasurer; the Director, Division of Budget and Accounting; the President of the Senate; and the Speaker of the General Assembly.

As of June 30, 1980, there were 692 long-term realty lease agreements with expirations ranging from over a period of one to twenty-four years. These lease obligations amounted to $100.3 million and annual rental payments approximated $27.2 million.

Recent lease agreements, involving the Mercer County Improvement Authority, include financings for a tax processing building and a justice complex. Under the lease agreements, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes. The lease terms coincide with the amortization of bonds whereby the last payment is made January, 2018. Upon expiration of the leases, the Authority agrees to convey to the State the Tax Processing Building without additional consideration, and the Justice Complex for the sum of one dollar. Total lease obligations for the Tax Building and Justice Complex are $3.2 million and $329 million respectively, and are subject to annual appropriation by the Legislature.

In addition to the above, the State has entered into three agreements (1964 and 1965) whereby the Public Employees Retirement System and the Teachers' Pension and Annuity Fund have provided construction costs of $17.9 million. Under the agreements, the facilities are acquired by the pension funds and leased to the State for a period of 20 years; and at the end of the period, the State may exercise the option to purchase the facilities at a cost of $1. At June 30, 1980, the remaining liability for these three agreements was $6.4 million.

STATE-AID APPROPRIATIONS FOR SCHOOL FINANCINGS

Since 1968, the Legislature has passed three laws (P.L. 1968, c. 177; P.L. 1971 c. 10; and P.L. 1978, c. 74) which provide for state support for the construction of local school facilities. These laws provide for future appropriations for debt service on a maximum principal amount of $280 million in bonded debt issued by local school districts. Individual projects are approved by the Department of Education based upon criteria established in the enabling legislation. As of June 30, 1980, a total of $230,000,000 school district bonds have been approved for state support, pursuant to the above three laws. The amount expended in fiscal year 1980 for the support of bonds issued by school districts under these laws amounted to $14.3 million.

Also, P.L. 1971, c. 12, provides that the State make payment on one-half the debt service on up to $80 million in county college bonds. As of June 30, 1980, the State is paying one-half the debt service on a total of $48.6 million in bonds issued by county colleges—such expenditures amounted to $1.5 million in fiscal year 1980.

In both these instances, the Legislature is not legally bound to make future appropriations, but has done so to date on all outstanding obligations issued under these laws.

SUPPLEMENTAL DATA

REVENUE STATEMENTS

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
MAJOR TAXES					
Sales	$ 1,190,000,000	$ 1,179,[illegible]5,617	99	$ 10,123,383	$ --
Corporation business	565,000,000	627,402,140	111	--	62,402,140
Motor fuels	295,000,000	280,860,039	95	14,139,961	--
Motor vehicle fees	267,000,000	267,456,696	100	--	456,696
Cigarette	169,000,000	170,571,980	101	--	1,571,980
Transfer inheritance	108,000,000	111,046,748	103	--	3,046,748
Business personal property	73,000,000	70,893,758	97	2,106,242	--
Insurance premiums	84,000,000	85,473,920	102	--	1,473,920
Public utility	65,000,000	64,653,651	99	346,349	--
Alcoholic beverage	55,000,000	55,491,915	101	--	491,915
Pari-mutuel	13,750,000	15,725,286	114	--	1,975,286
Corporation business-banks and financial institutions	20,000,000	17,368,190	87	2,631,810	--
Realty transfer	18,000,000	17,403,477	97	596,523	--
Motor fuel use	6,500,000	7,403,632	114	--	903,632
Savings institution	5,500,000	3,954,792	72	1,545,208	--
TOTAL MAJOR TAXES	2,934,750,000	2,975,582,841	101	31,489,476	72,322,317
MISCELLANEOUS TAXES, FEES, REVENUES					
Department of Agriculture:					
Animal, plant disease and pest control fees	150,000	107,929	72	42,071	--
Fertilizer inspection fees	170,000	144,459	85	25,541	--
Milk control licenses and fees	220,000	243,366	111	--	23,366
Total Department of Agriculture	540,000	495,754	92	67,612	23,366
Department of Banking:					
Bank assessments	1,100,000	1,151,997	105	--	51,997
Examining and other fees	2,891,500	2,200,440	76	691,060	--
New Jersey Cemetery Board fees	83,002	75,476	91	7,526	--
Total Department of Banking	4,074,502	3,427,913	84	698,586	51,997
Department of Community Affairs:					
Construction fees	540,000	568,420	105	--	28,420
Housing inspection fees	2,300,000	1,920,281	83	379,719	--

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	REALIZED TO JUNE 30, 1980 PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Local government services	$ 120,000	$ 105,414	88	$ 14,586	$ --
Total Department of Community Affairs	2,960,000	2,594,115	88	394,305	28,420
Department of Education:					
Katzenbach School for the Deaf - Tuition	2,218,875	2,078,515	94	140,360	--
Licensing fees - Miscellaneous	61,100	138,016	226	--	76,916
Non-public schools text recoveries	125,000	197,427	158	--	72,427
State Board of Examiners fees	450,000	576,007	128	--	126,007
Total Department of Education	2,854,975	2,989,965	105	140,360	275,350
Department of Energy:					
Assessments - Cable TV	463,568	493,336	106	--	29,768
Assessments - Public Utility	6,266,634	6,275,904	100	--	9,270
Other revenue	106,000	97,609	92	8,391	--
Total Department of Energy	6,836,202	6,866,849	100	8,391	39,038
Department of Environmental Protection:					
Air pollution fees	324,500	180,866	56	143,634	--
Delaware and Raritan Canal, water sales	1,261,098	1,261,098	100	--	--
Examination licensing program	140,070	36,522	26	103,548	--
Excess water diversion fees	330,300	228,772	69	101,528	--
Sale of forest products	32,943	24,991	76	7,952	--
Hunters' and Anglers' License Fund	4,059,195	4,059,195	100	--	--
Marinas rentals and fees	390,200	389,665	100	535	--
Marine land management - Delineation and title determination	450,000	450,000	100	--	--
Marine Lands Management - Miscellaneous	25,000	17,529	70	7,471	--
Morris Canal Fund	48,000	48,000	100	--	--
New Jersey Pilot Commissioners' fees	40,400	46,479	115	--	6,079
Parks rentals and fees	2,270,000	1,750,504	77	519,496	--
Pesticide control	--	--	--	--	--
Radiation licenses and fees	308,000	308,000	100	--	--
Recreation Boating - Licensing	1,018,432	1,001,303	98	17,129	--
Recreation boating - Other fees	31,700	35,588	112	--	3,888
Round Valley and Spruce Run, water sales	298,558	924,226	310	--	625,668

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Shell fisheries, licenses	$ 154,017	$ 233,006	151	$ --	$ 78,989
Solid waste fees	562,468	738,123	131	--	175,655
Water pollution permits	27,000	36,646	136	--	9,646
Well drillers licenses and permits	61,000	160	1	60,840	--
Total Department of Environmental Protection	11,832,881	11,770,673	99	962,133	899,925
Department Health:					
General revenues - Licenses and fees	962,250	992,964	103	--	30,714
Total Department of Health	962,250	992,964	103	--	30,714
Department of Higher Education:					
Agricultural Experiment Station - Fees	10,000	7,807	78	2,193	--
Bond interest recoveries	360,472	358,478	99	1,994	--
School of Conservation	380,000	380,000	100	--	--
College of Medicine and Dentistry of New Jersey	--	141,429	--	--	141,429
Thomas A. Edison College					
Tuition - Regular	350,000	189,578	54	160,422	--
Glassboro State College					
Miscellaneous institutional support	40,000	43,904	110	--	3,904
New Jersey Educational Computer Network	--	5,236	--	--	5,236
Other student fees	102,000	102,912	101	--	912
Tuition increase	234,000	168,962	72	65,038	--
Tuition - Regular	5,643,280	5,055,724	90	587,556	--
Jersey City State College					
Miscellaneous institutional support	24,000	24,768	103	--	768
Other student fees	89,000	59,312	67	29,688	--
Tuition increase	189,000	16,238	9	172,762	--
Tuition - Regular	4,375,035	3,701,366	85	673,669	--
Kean College of New Jersey					
Miscellaneous institutional support	25,000	25,000	100	--	--
New Jersey Educational Computer Network	--	5,622	--	--	5,622
Other student fees	116,000	96,709	83	19,291	--
Tuition increase	246,000	246,000	100	--	--
Tuition - Regular	5,941,015	5,941,015	100	--	--

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
William Paterson College					
Miscellaneous institutional support	$ 47,000	$ 96,564	205	$ --	$ 49,564
Other student fees	110,500	111,278	101	--	778
Tuition increase	253,000	229,265	91	23,735	--
Tuition - Regular	6,100,265	5,611,321	92	488,944	--
Montclair State College					
Miscellaneous institutional support	75,000	151,747	202	--	76,747
Other student fees	152,000	145,987	96	6,013	--
Tuition increase	302,000	281,883	93	20,117	--
Tuition - Regular	7,261,408	7,046,218	97	215,190	--
Trenton State College					
Miscellaneous institutional support	5,000	7,911	158	--	2,911
New Jersey Educational Computer Network	--	1,201	--	--	1,201
Other student fees	116,000	120,458	104	--	4,458
Tuition increase	227,000	227,188	100	--	188
Tuition - Regular	5,528,925	5,398,341	98	130,584	--
Ramapo College of New Jersey					
Miscellaneous institutional support	12,400	14,562	117	--	2,162
New Jersey Educational Computer Network	--	6,782	--	--	6,782
Other student fees	28,500	30,502	107	--	2,002
Tuition increase	100,000	89,500	90	10,500	--
Tuition - Regular	2,207,744	1,997,540	90	210,204	--
Richard Stockton State College					
Miscellaneous institutional support	16,000	26,406	165	--	10,406
New Jersey Educational Computer Network	--	5,622	--	--	5,622
Other student fees	38,000	41,290	109	--	3,290
Tuition increase	119,000	119,010	100	--	10
Tuition - Regular	2,621,696	2,652,734	101	--	31,038
Total Department of Higher Education	43,446,240	40,983,370	94	2,817,900	355,030
Department of Human Services:					
Adoption law fees	175,000	130,844	75	44,156	--
Special residential services	4,500,000	4,536,748	101	--	36,748
Board of Patients and Residents; Other Income					
Ancora Psychiatric Hospital	15,500,000	13,308,998	86	2,191,002	--
Arthur Brisbane Child Center at Allaire	300,000	163,806	55	136,194	--
Edward R. Johnstone Training and Research Center	1,300,000	897,449	69	402,551	--
Glen Gardner Center for Geriatrics	1,000,000	2,094,273	209	--	1,094,273
Greystone Park Psychiatric Hospital	22,000,000	20,749,508	94	1,250,492	--

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Hunterdon State School	$ 6,900,000	$ 6,239,066	90	$ 660,934	$ --
Marlboro Psychiatric Hospital	14,600,000	13,890,189	95	709,811	--
New Jersey Neuropsychiatric Institute	7,500,000	4,316,013	58	3,183,987	--
New Lisbon State School	5,100,000	4,152,942	81	947,058	--
North Jersey Training School at Totowa	5,500,000	4,362,738	79	1,137,262	--
Trenton Psychiatric Hospital	11,000,000	10,060,329	91	939,671	--
Vineland State School	10,000,000	8,510,999	85	1,489,001	--
Woodbine State School	5,300,000	5,003,482	94	296,518	--
Woodbridge State School	6,400,000	6,411,784	100	--	11,784
Soldiers' Homes:					
Menlo Park	1,686,000	1,940,769	115	--	254,769
Vineland	1,720,235	1,644,695	96	75,540	--
Total Department of Human Services	120,481,235	108,414,632	90	13,464,177	1,397,574
Department of Insurance:					
Actuarial services	599,275	638,586	131	--	39,311
Licensing and enforcement	2,400,000	3,147,612	131	--	747,612
Other revenue	22,695	152,274	671	--	129,579
Real estate licenses	1,935,400	1,402,707	72	532,693	--
Total Department of Insurance	4,957,370	5,341,179	108	532,693	916,502
Department of Labor and Industry:					
General revenues - Licenses and fees	800,000	640,673	80	159,327	--
Special Compensation Fund	696,045	693,945	99	2,100	--
Total Department of Labor and Industry	1,496,045	1,334,618	89	161,427	--
Department of Law and Public Safety:					
Amusement games control fees	122,500	108,927	89	13,573	--
Beverage licenses	2,923,800	2,875,262	98	48,538	--
Bus Excise Tax	244,666	263,545	108	--	18,879
Division of Consumer Affairs:					
General revenues:					
Athletic Commission	75,000	197,488	263	--	122,488
Bureau of Securities	425,400	510,152	120	--	84,752
Consumer fines	33,900	97,826	289	--	63,926
Legalized Games of Chance Control	405,000	433,955	107	--	28,955
Private Employment Agencies	142,500	184,875	130	--	42,375
Weights and Measures - General	120,000	103,702	86	16,298	--

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Professional examining board fees:					
State Board of Architects	$ 105,687	$ 105,687	100	$ --	$ --
State Board of Barber Examiners	106,165	119,365	112	--	13,200
State Board of Beauty Culture	308,341	386,309	125	--	77,968
State Board of Certified Public Accounts	266,108	266,108	100	--	--
State Board of Dentistry	141,704	141,704	100	--	--
State Board of Electrical Contractors	185,975	185,975	100	--	--
State Board of Examiners of Master Plumbers	191,855	191,855	100	--	--
State Board of Examiners of Ophthalmic Dispensers and Ophthalmic Technicians	51,360	51,360	100	--	--
State Board of Marriage Counselor Examiners	17,042	17,042	100	--	--
State Board of Medical Examiners	542,410	542,410	100	--	--
State Board of Mortuary Science	97,250	97,250	100	--	--
State Board of Nursing	657,649	657,649	100	--	--
State Board of Optometrists	53,732	53,732	100	--	--
State Board of Pharmacy	156,582	156,582	100	--	--
State Board of Professional Engineers and Land Surveyors	195,955	195,955	100	--	--
State Board of Professional Planners	111,867	111,867	100	--	--
State Board of Psychological Examiners	40,012	40,012	100	--	--
State Board of Shorthand Reporting	10,396	10,396	100	--	--
State Board of Veterinary Medical Examiners	24,566	24,566	100	--	--
State Police licenses and fees	384,050	584,267	152	--	200,217
Motor Vehicle Security Responsibility Law Administration	2,844,835	2,878,490	101	--	33,655
Total Department of Law and Public Safety	10,986,307	11,594,313	106	78,409	686,415
Department of State:					
Commissions	250,000	296,542	119	--	46,542
General revenues - Fees	5,337,000	5,096,061	95	240,939	--
Uniform Commercial Code - Fees	895,000	967,624	108	--	72,624
Total Department of State	6,482,000	6,360,227	119	240,939	119,166
Department of Transportation:					
Division of Aeronautics	80,000	94,232	118	--	14,232
Miscellaneous revenue	300,000	421,320	140	--	121,320

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Outdoor advertising	$ 200,000	$ 220,215	110	$ --	$ 20,215
Total Department of Transportation	580,000	735,767	127	--	155,767
Department of the Treasury:					
Coin operated telephones	65,000	54,627	84	10,373	--
Escheats, Personal Property	100,000	190,110	190	--	90,110
Financial business tax - State share	50,000	--	--	50,000	--
Interest on deposits	1,275,000	2,119,589	166	--	844,589
Investment earnings	3,000,000	13,701,221	457	--	10,701,221
New Jersey Sports and Exposition Authority	11,000,000	11,240,000	102	--	240,000
Public Utility franchise and gross receipts tax	8,947,600	8,973,193	100	--	25,593
Public Utility Tax - Administration	131,000	206,130	157	--	75,130
Railroad Tax - Class II:					
Current year	3,000,000	5,416,050	181	--	2,416,050
Prior years	3,982,000	9,359,599	235	--	5,377,599
Railroad Tax - Franchise	25,000	45,056	180	--	20,056
Retail gross receipts tax	--	390,268	--	--	390,268
Sale of surplus property	90,000	227,015	252	--	137,015
Unincorporated business tax	--	1,257,942	--	--	1,257,942
Total Department of The Treasury	31,665,600	53,180,800	168	60,373	21,575,573
Miscellaneous Executive Commissions:					
Delaware River Joint Toll Bridge Commission Pennsylvania Share	762,309	646,046	85	116,263	--
Total Miscellaneous Executive Commissions	762,309	646,046	85	116,263	--
Other Sources:					
Miscellaneous revenue	500,000	441,160	88	58,840	--
Total Other Sources	500,000	441,160	88	58,840	--
Inter-Departmental Accounts:					
Administration and investment of pension and social security funds	4,800,000	5,339,913	111	--	539,913

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Health benefits contribution reimbursement from special funds	$ 10,500,000	$ 12,515,297	119	$ --	$ 2,015,297
Indirect cost recovery - Federal	6,100,000	8,567,848	140	--	2,467,848
Judicial Retirement System reimbursements	1,100,000	985,515	90	114,485	--
Other fringe benefit reimbursement from special funds	3,000,000	1,370,246	46	1,629,754	--
Pension contribution reimbursement from special funds	19,000,000	18,688,479	98	311,521	--
Public employer's contribution reimbursement	4,500,000	6,557,592	146	--	2,057,592
Reimbursement from Rutgers - Employer's share of employees' benefits	2,835,000	3,107,273	110	--	272,273
Rent of State building space	1,100,000	1,191,854	108	--	91,854
Social security contribution reimbursement from special funds	13,500,000	14,417,718	107	--	917,718
Total Inter-Departmental Accounts	66,435,000	72,741,735	109	2,055,760	8,362,495
The Judiciary:					
Court fees	8,735,134	9,306,064	107	--	570,930
Total The Judiciary	8,735,134	9,306,064	107	--	570,930
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	326,588,050	340,218,144	104	21,858,168	35,488,262
INTERFUND TRANSFERS					
Beaches and Harbor Fund	240,000	614,698	256	--	374,698
Clean Waters Fund	1,685,000	2,560,978	152	--	875,978
1837 Surplus Revenue Fund	45,000	54,273	121	--	9,273
Emergency Flood Control Fund	805,000	1,234,068	153	--	429,068
General Revenue Sharing Fund	76,000,000	75,390,840	99	609,160	--
Housing Assistance Fund	--	2,397	--	--	2,397
Institutional Construction Fund	1,110,000	2,395,299	216	--	1,285,299
Institutions Construction Fund	1,635,000	2,975,334	182	--	1,340,334
Medical Education Facilities Fund	1,600,000	2,895,563	181	--	1,295,563
Mortgage Assistance Fund	100,000	124,674	125	--	24,674
Motor Vehicle Security-Responsibility Fund	55,000	70,565	128	--	15,565
New Jersey Spill Compensation Fund	760,000	730,856	96	29,144	--
Outstanding Checks Account	160,000	356,163	223	--	196,163
Public Building Construction Fund	480,000	970,344	202	--	490,344
School Fund	1,940,000	2,589,900	134	--	649,900

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Special Railroad Deposits Trust Fund	$ 1,600	$ 1,901	119	$ --	$ 301
State Disability Benefits Fund	5,310,796	5,286,681	100	24,115	--
State 1964 Institutional Construction Fund	--	26,856	--	--	26,856
State Higher Education Building Construction Fund - Act of 1971	--	518,114	--	--	518,114
State Land Acquisition and Development Fund	555,000	1,234,402	222	--	679,402
State Lottery Fund	150,000,000	145,876,568	97	4,123,432	--
State Lottery Fund - Administration	3,665,276	3,610,276	98	55,000	--
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1961)	--	554	--	--	554
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1971)	--	838,055	--	--	838,055
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974)	1,560,000	2,768,798	177	--	1,208,798
State Transportation Fund	1,200,000	2,848,845	237	--	1,648,845
State Water Development Fund	--	126,485	--	--	126,485
Transportation Fund	23,000,000	35,958,822	156	--	12,958,822
Transportation Rehabilitation and Improvement Fund	--	107,763	--	--	107,763
Unclaimed Bank Deposits Escheat Reserve Fund	1,755,000	4,211,850	240	--	2,456,850
Unclaimed Domestic Life Insurance Escheat Reserve Fund	250,000	304,422	122	--	54,422
Unclaimed Personal Property Trust Fund	950,000	3,373,874	355	--	2,423,874
Unemployment Compensation Auxiliary Fund	5,370,167	5,525,715	103	--	155,548
Unsatisfied Claim and Judgment Fund	293,045	293,0 5	100	--	--
Water Conservation Fund	1,100,000	4,458,650	405	--	3,358,650
TOTAL INTERFUND TRANSFERS	281,625,884	310,337,628	110	4,840,851	33,552,595
TOTAL GENERAL FUND	$ 3,542,963,934	$ 3,626,138,613	102	$ 58,188,495	$ 141,363,174

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Gross Income Tax	$ 945,000,000	$ 968,821,205	103	$ --	$ 23,821,205
TOTAL PROPERTY TAX RELIEF FUND	$ 945,000,000	$ 968,821,205	103	$ --	$ 23,821,205

STATE OF NEW JERSEY
GUBERNATORIAL GENERAL ELECTIONS FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Taxpayers' Designation	$ 1,000,000	$ 1,422,570	142	$ --	$ 422,570
TOTAL GUBERNATORIAL GENERAL ELECTIONS FUND	$ 1,000,000	$ 1,422,570	142	$ --	$ 422,570

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Licenses and fees	$ 11,000,000	$ 12,865,473	117	$ --	$ 1,865,473
TOTAL CASINO CONTROL FUND	$ 11,000,000	$ 12,865,473	117	$ --	$ 1,865,473

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1980

	ANTICIPATED TO JUNE 30, 1980	REALIZED TO JUNE 30, 1980 AMOUNT	PER CENT	REALIZATION UNDER ANTICIPATION	REALIZATION OVER ANTICIPATION
Gross Revenues Tax	$ 56,000,000	$ 58,086,559	104	$ --	$ 2,086,559
TOTAL CASINO REVENUE FUND	$ 56,000,000	$ 58,086,559	104	--	$ 2,086,559

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATED REVENUE
YEAR ENDED JUNE 30, 1980

	STATE	FEDERAL	OTHER	TOTAL
LEGISLATIVE BRANCH	$ --	$ --	$ 15,000	$ 15,000
EXECUTIVE BRANCH:				
Chief Executive's Office	--	432,944	--	432,944
Agriculture	--	803,883	7,645,598	8,449,481
Civil Service	172,713	575,405	--	748,118
Community Affairs	--	56,616,212	4,045,551	60,661,763
Corrections	477	63,055	8,212,679	8,276,211
Defense	211,298	1,438,405	--	1,649,703
Education	10,417	242,508,503	2,923,851	245,442,771
Energy	119,667	4,969,259	2,807,093	7,896,019
Environmental Protection	4,178,915	18,217,145	8,083,337	30,479,397
Health	413,478	47,684,263	1,562,905	49,660,646
Higher Education	1,598,906	26,715,344	18,620,784	46,935,034
Human Services	7,742,400	856,730,803	26,240,293	890,713,496
Insurance	--	--	9,819	9,819
Labor and Industry	1,585,653	134,199,787	19,264,665	155,050,105
Law and Public Safety	10,522,757	43,529,043	10,692,920	64,744,720
Public Advocate	212,359	180,003	1,934,553	2,326,915
State	214,733	544,225	--	758,958
Transportation	3,588,153	152,587,606	11,314,714	167,490,473
Treasury	3,149,735	--	219,487,686	222,637,421
Miscellaneous Executive Commissions	66,000	--	--	66,000
Inter-Departmental Accounts	136,446	--	18,759,534	18,895,980
TOTAL EXECUTIVE BRANCH	33,924,107	1,587,795,885	361,605,982	1,983,325,974
JUDICIAL BRANCH	151,942	275,515	--	427,457
TOTAL APPROPRIATED REVENUE	$ 34,076,049	$ 1,588,071,400	$ 361,620,982	$ 1,983,768,431

STATE OF NEW JERSEY
REVENUES
YEAR ENDED JUNE 30, 1980

The revenues collected are applied principally to one of five funds—the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund, or the Gubernatorial General Election Fund. Revenues are recorded as either anticipated revenue or appropriated revenue. Anticipated revenue is utilized to support the appropriations in the Annual Appropriation Act. Such revenues are not available for expenditure unless specifically appropriated by the Legislature. Appropriated revenues are such monies not previously anticipated or budgeted; which upon receipt, increase appropriation balances as authorized in the Appropriation Act, and from which expenditures may be made. Most federal aid, except General Revenue Sharing, is recorded as appropriated revenue and represents 80 percent of all appropriated revenue. Total revenue from all sources for fiscal year 1980 amounted to $6,651 million, an increase of $739 million or 12.5 percent over fiscal year 1979.

ANTICIPATED (BUDGETED) REVENUE

Anticipated revenues support what is normally referred to as the Governor's Budget. For fiscal year 1980, these revenues totaled $4,667 million. This compares to $4,316 million reported in 1979, and shows an increase of $351 million, or 8.1 percent. $130 million (a 15.5 percent increase) of the increase relates to proceeds from the Income Tax, which is dedicated by constitutional amendment for property tax relief; and $82 million (a 7.5 percent increase) relates to proceeds from the Sales Tax.

A description of the major categories of revenue sources within the five funds and a description of the principal taxes are discussed in the following.

GENERAL FUND

Major Taxes

The major taxes category is composed of fifteen taxes or fees, which are levied within the State. The majority of the revenue is generated from the sale and use of goods and services; general business taxes, which are received from various corporations; motor vehicle fees; a public utility excise tax; and other excise taxes. These taxes amounted to $2,976 million, an increase of 6.5 percent or $182 million over fiscal year 1979. A description of the six largest sources, all raising more than $100 million, are as follows.

· The Sales Tax Act imposes a tax at the rate of 5 percent on receipts from (a) retail sale, rental, or use of tangible personal property; (b) retail sale of producing, fabricating, processing, installing, maintaining, repairing, storage, and certain advertising services; (c) sales of restaurant meals; (d) rental of hotel and motel rooms; and (e) certain admission charges. Sales of food, clothing, and other specified items are exempt from collection of the tax.

· The Cigarette Tax is imposed at the rate of $.19 per package of twenty cigarettes. The tax is collected primarily from licensed distributors who receive the cigarettes directly from out-of-state manufacturers.

· The Motor Fuels Tax applies to sales of gasoline, diesel fuel, or liquefied petroleum gas and compressed natural gas used in motor vehicles on public highways. The tax is $.08 per gallon for gasoline and diesel fuel, and half the rate for the other gases.

· The Motor Vehicle Fees include automobile and truck registrations, drivers' licenses, and miscellaneous fees collected by the Division of Motor Vehicles.

· The Corporation Business Tax imposes a franchise tax for the privilege of having or exercising a corporate charter or doing business, employing or owning capital or property, or maintaining an office in New Jersey. The tax is applicable to every corporation not expressly exempted. Effective January 1, 1980, the rate was increased from 7½ percent to 9 percent of net income. In addition, a net worth tax is levied on business at various rates ranging from 2/10 of a mill to 2 mills per dollar.

· The Transfer Inheritance Tax imposes a tax on the transfer of all personal property and New Jersey real property having a value of $500 or more in estates of resident decendents, and on real property and tangible personal property on non-resident decendents located within the State of New Jersey. Rates range from 1 percent to 16 percent.

Miscellaneous Taxes, Licenses, and Other Departmental Fees

This category includes revenues received by the various state agencies. Typical items include tuition from students at the state colleges, recreation and boating fees, institutional and patient fees, investment earnings, and the like. For the year 1980, these revenues decreased from $393 million to $340 million—a decrease of 13.5 percent.

Interfund Transfers

The Interfund Transfer category includes monies which were received into various bond and trust funds because of legal or statutory requirements, and then subsequently transferred into the General Fund as anticipated revenue for expenditure purposes. Included in these types of revenue are the monies received by the State Lottery, monies received under the Federal General Revenue Sharing Program, interest earned on investments of bond funds, and the monies received from taxes levied on New York residents working in New Jersey. The latter tax is commonly referred to as "Commuter Tax." These revenues total $310 million, an increase of $46 million over fiscal year 1979.

PROPERTY TAX RELIEF FUND

The Income Tax

The tax is calculated at 2 percent on the first $20,000 of taxable income and 2.5 percent on amounts in excess of $20,000. For fiscal year 1980, this tax yeilded $969 million for property tax relief—an increase of $130 million over the prior year. All monies in the fund must be appropriated exclusively for reducing or offsetting property taxes.

CASINO REVENUE FUND

A tax on the gross revenue of all casinos is deposited into the Casino Revenue Fund. Effective July 1, 1979, the rate was 12 percent, until a fourth casino opens at which time the rate decreases to 10 percent, and then finally to 8 percent when a fifth casino opens. During fiscal year 1980, the applicable rate was 12 percent. All monies in this fund must be used for reduction in property taxes, and utility and rental charges of eligible disabled and senior citizens. The total tax collected was $58 million, an increase of $40 million over fiscal year 1979.

CASINO CONTROL FUND

License fees for the issuance and annual renewal of casino licenses, slot machines, non-refundable deposits for each application for a license, and fees for the issuance of various work permits are deposited into the Casino Control Fund. Such revenues are used to support the operation of the Casino Control Commission and the Division of Gaming Enforcement. The total revenue collected was $12.9 million, an increase of $5.2 million over fiscal year 1979.

GUBERNATORIAL GENERAL ELECTION FUND

A taxpayer can voluntarily indicate that $1 of his income tax can be set aside into this special fund. Such monies are used to finance a portion of the expenses of gubernatorial and primary elections. Total payments to this fund were $1.4 million in fiscal year 1980.

APPROPRIATED REVENUE

All appropriated revenue is deposited into the General Fund. These revenues include most of the federal aid received by the State, except for General Revenue Sharing, and certain revenues collected by the State and directly utilized by either a state agency or disbursed to a local government for a specific purpose enacted by statute. Federal aid amounted to $1,588 million in fiscal year 1980, an increase of $192 million over fiscal year 1979. Of the $1,588 million in federal aid, over 68 percent consisted of Medical Assistance ($334 million); Aid for Dependent Children ($277 million); Aid for Education, including Child Nutrition; Title I, Title II, Title IV, and Title VI of the Elementary and Secondary Education Act; and various vocational programs ($243 million); Transportation Aid ($153 million); and Title XX Social Services ($78 million).

Some of the kinds of state appropriated revenue received by departments and agencies for specific purposes include: Second Injury Workmen's Compensation Insurance Tax, certain corporation taxes from banks (which are disbursed to local governments), revenue from sale of water at state reservoirs, and auxiliary services and extension school income at state colleges.

EXPENDITURE STATEMENTS

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 1980

DIRECT STATE SERVICES	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
LEGISLATIVE BRANCH	$ 13,750,272	$ 1,661,569	$ 14,150,028	$ 3,843	$ 1,257,970
EXECUTIVE BRANCH:					
Chief Executive's Office	1,474,288	165,798	1,586,764	--	53,322
Agriculture	4,675,790	248,637	4,774,498	80,480	69,449
Banking	3,637,671	173,524	3,367,971	443,224	--
Civil Service	8,894,296	556,373	9,262,564	34,891	153,214
Community Affairs	10,559,394	971,878	11,185,579	83,230	329,463
Corrections	80,322,547	10,082,630	87,592,831	177,589	2,634,757
Defense	5,892,738	598,740	6,350,431	22,742	118,305
Education	24,602,913	1,309,332	25,029,960	347,013	535,272
Energy	9,593,479	9,748	9,202,015	6,534	394,678
Environmental Protection	34,778,021	7,799,413	40,184,984	192,524	2,199,926
Health	24,726,977	1,239,529	25,152,599	434,679	379,228
Higher Education	390,197,672	25,189,206	411,576,514	1,593,624	2,216,740
Human Services	615,165,617	28,531,257	638,713,280	1,130,188	3,853,406
Insurance	4,440,547	168,320	4,521,949	58,213	28,705
Labor and Industry	26,956,766	4,163,827	30,216,955	397,011	506,627
Law and Public Safety	109,825,553	17,104,875	124,606,825	540,787	1,782,816
Public Advocate	16,987,069	1,068,078	17,797,713	29,683	227,751
State	5,938,336	2,503,215	7,873,093	60,771	508,387
Transportation	162,525,920	19,857,408	178,793,285	40,730	3,549,313
Treasury	54,829,897	7,178,527	61,178,112	426,699	403,613
Miscellaneous Executive Commissions	3,938,728	224,587	3,848,561	53,711	261,043
Inter-Departmental Accounts	327,707,454	(58,593,129)	262,968,669	4,252,833	1,892,833
TOTAL EXECUTIVE BRANCH	1,927,671,683	70,552,473	1,965,718,152	10,407,156	22,098,848
JUDICIAL BRANCH	28,446,934	2,150,543	30,018,032	--	579,445
TOTAL DIRECT STATE SERVICES	$ 1,969,868,889	$ 74,364,585	$ 2,009,886,212	$ 10,410,999	$ 23,936,263

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
STATE AID					
EXECUTIVE BRANCH:					
Community Affairs	$ 61,618,470	$ 9,161,118	$ 68,497,732	$ 317,456	$ 1,964,400
Education	926,302,589	584,644	913,719,686	11,487,449	1,680,098
Environmental Protection	1,989,298	694,837	2,157,623	90,627	435,885
Health	12,677,573	465,387	12,642,748	172,334	327,878
Higher Education	52,817,852	1,243,472	52,884,069	--	1,177,255
Human Services	299,976,433	(564,508)	294,580,155	41,954	4,789,816
Law and Public Safety	325,383	210,412	269,091	2,250	264,454
Transportation	13,830,888	22,680,763	27,457,661	--	9,053,990
Treasury	180,188,399	--	179,989,157	199,242	--
TOTAL EXECUTIVE BRANCH	1,549,726,885	34,476,125	1,552,197,922	12,311,312	19,693,776
TOTAL STATE AID	$ 1,549,726,885	$ 34,476,125	$ 1,552,197,922	$ 12,311,312	$ 19,693,776

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

CAPITAL CONSTRUCTION	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
LEGISLATIVE BRANCH	$ --	$ --	$ (16,335)	$ --	$ 16,335
EXECUTIVE BRANCH:					
Agriculture	--	34,985	34,985	--	--
Civil Service	--	4,479	4,479	--	--
Corrections	1,000,000	4,642,234	3,326,948	--	2,315,286
Defense	--	423,933	187,005	--	236,928
Education	--	1,289,378	742,049	--	547,329
Energy	250,000	620,825	847,202	--	23,623
Environmental Protection	1,200,000	1,325,003	532,558	--	1,992,445
Health	--	642,665	400,266	--	242,399
Higher Education	2,000,000	9,291,943	6,369,811	--	4,922,132
Human Services	700,000	7,116,031	4,496,291	--	3,319,740
Law and Public Safety	168,000	3,952,281	194,043	--	3,926,238
Transportation	30,057,707	213,332,711	146,904,172	--	96,486,246
Treasury	1,190,000	546,429	1,233,106	--	503,323
Miscellaneous Executive Commissions	100,000	--	--	--	100,000
TOTAL EXECUTIVE BRANCH	36,665,707	243,222,897	165,272,915	--	114,515,689
TOTAL CAPITAL CONSTRUCTION	$ 36,665,707	$ 243,222,897	$ 165,256,580	$ --	$ 114,632,024

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
DEBT SERVICE					
EXECUTIVE BRANCH:					
Community Affairs	$ 2,327,290	$ --	$ 2,327,290	$ --	$ --
Corrections	5,269,688	--	5,269,686	2	--
Education	3,507,843	--	3,507,843	--	--
Energy	615,369	--	615,369	--	--
Environmental Protection	48,449,829	--	48,449,829	--	--
Health	105,946	--	105,946	--	--
Higher Education	40,265,795	229,600	40,495,392	3	--
Human Services	12,268,559	(229,600)	12,038,959	--	--
Law and Public Safety	50,000	--	50,000	--	--
Transportation	51,612,908	--	51,612,907	1	--
TOTAL EXECUTIVE BRANCH	164,473,227	--	164,473,221	6	--
TOTAL DEBT SERVICE	$ 164,473,227	$ --	$ 164,473,221	$ 6	$ --

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
FEDERAL					
LEGISLATIVE BRANCH	$ --	$ 6,000	$ 6,000	$ --	$ --
EXECUTIVE BRANCH:					
Chief Executive's Office	--	396,042	353,422	--	42,620
Agriculture	--	1,048,430	614,572	--	433,858
Civil Service	--	1,014,332	800,458	--	213,874
Community Affairs	--	60,279,117	59,554,846	--	724,271
Corrections	--	4,608,747	4,545,565	--	63,182
Defense	--	1,445,513	1,438,960	--	6,553
Education	--	250,412,723	246,140,544	--	4,272,179
Energy	--	3,662,679	3,497,814	65,126	99,739
Environmental Protection	--	19,740,488	19,220,374	--	520,114
Health	--	51,716,786	51,528,433	694	187,659
Higher Education	--	33,137,387	30,611,847	--	2,525,540
Human Services	--	877,124,780	845,025,770	--	32,099,010
Labor and Industry	--	134,564,516	131,623,973	--	2,940,543
Law and Public Safety	--	25,247,442	19,624,619	--	5,622,823
Public Advocate	--	1,110,929	1,074,494	--	36,435
State	--	797,855	576,700	--	221,155
Transportation	--	119,282,886	113,185,313	--	6,097,573
Treasury	--	121,856	121,856	--	--
Miscellaneous Executive Commissions	--	101,954	101,259	188	507
TOTAL EXECUTIVE BRANCH	--	1,585,814,462	1,529,640,819	66,008	56,107,635
JUDICIAL BRANCH	--	13,250,501	12,854,798	--	395,703
TOTAL FEDERAL	$ --	$ 1,599,070,963	$ 1,542,501,617	$ 66,008	$ 56,503,338

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

ALL OTHER	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
LEGISLATIVE BRANCH	$ --	$ 15,000	$ 15,000	$ --	$ --
EXECUTIVE BRANCH:					
Chief Executive's Office	--	--	--	--	--
Agriculture	--	12,760,497	7,469,112	--	5,291,385
Banking	--	--	--	--	--
Civil Service	--	130,971	130,971	--	--
Community Affairs	--	10,003,226	4,494,503	221,338	5,287,385
Corrections	--	9,414,819	8,983,926	--	430,893
Education	--	3,415,465	2,798,084	--	617,381
Energy	--	4,150,077	3,020,512	--	1,129,565
Environmental Protection	--	9,704,511	7,771,785	--	1,932,726
Health	--	2,794,892	1,944,228	--	850,664
Higher Education	--	24,751,122	19,280,092	--	5,471,030
Human Services	--	33,602,682	28,770,454	--	4,832,228
Insurance	--	36,825	4,497	--	32,328
Labor and Industry	--	22,547,305	15,388,537	32,199	7,126,569
Law and Public Safety	--	12,684,222	9,845,502	3,785	2,834,935
Public Advocate	--	2,000,342	1,932,057	--	68,285
State	--	36,637	36,064	--	573
Transportation	--	20,156,324	9,229,449	--	10,926,875
Treasury	--	232,084,349	173,342,375	49,459,009	9,282,965
Miscellaneous Executive Commissions	--	9,782	--	--	9,782
Inter-Departmental Accounts	--	27,251,619	13,980,776	--	13,270,843
TOTAL EXECUTIVE BRANCH	--	427,535,667	308,422,924	49,716,331	69,396,412
JUDICIAL BRANCH	--	51,792	27,533	--	24,259
TOTAL ALL OTHER	$ --	$ 427,602,459	$ 308,465,457	$ 49,716,331	$ 69,420,671

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

GENERAL FUND SUMMARY	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
LEGISLATIVE BRANCH	$ 13,750,272	$ 1,682,569	$ 14,154,693	$ 3,843	$ 1,274,305
EXECUTIVE BRANCH:					
Chief Executive's Office	1,474,288	561,840	1,940,186	--	95,942
Agriculture	4,675,790	14,092,549	12,893,167	80,480	5,794,692
Banking	3,637,671	173,524	3,367,971	443,224	--
Civil Service	8,894,296	1,706,155	10,198,472	34,891	367,088
Community Affairs	74,505,154	80,415,339	145,992,950	622,024	8,305,519
Corrections	86,592,235	28,748,430	109,718,956	177,591	5,444,118
Defense	5,892,738	2,468,186	7,976,396	22,742	361,786
Education	954,413,345	257,011,542	1,191,938,166	11,834,462	7,652,259
Energy	10,458,848	8,443,329	17,182,912	71,660	1,647,605
Environmental Protection	86,417,148	39,264,252	118,317,153	283,151	7,081,096
Health	37,510,496	56,859,259	91,774,220	607,707	1,987,828
Higher Education	485,281,319	93,842,730	561,217,725	1,593,627	16,312,697
Human Services	928,110,609	945,580,642	1,823,624,909	1,172,142	48,894,200
Insurance	4,440,547	205,145	4,526,446	58,213	61,033
Labor and Industry	26,956,766	161,275,648	177,229,465	429,210	10,573,739
Law and Public Safety	110,368,936	59,199,232	154,590,080	546,822	14,431,266
Public Advocate	16,987,069	4,179,349	20,804,264	29,683	332,471
State	5,938,336	3,338,407	8,485,857	60,771	730,115
Transportation	258,027,423	395,310,092	527,182,787	40,731	126,113,997
Treasury	236,208,296	239,931,161	415,864,606	50,084,950	10,189,901
Miscellaneous Executive Commissions	4,038,728	336,323	3,949,820	53,899	371,332
Inter-Departmental Accounts	327,707,464	(31,341,510)	276,949,445	4,252,833	15,163,676
TOTAL EXECUTIVE BRANCH	3,678,537,502	2,361,601,624	5,685,725,953	72,500,813	281,912,360
JUDICIAL BRANCH	28,446,934	15,452,836	42,900,363	--	999,407
TOTAL GENERAL FUND	$ 3,720,734,708	2,378,737,029	5,742,781,009	72,504,656	284,186,072

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
YEAR ENDED JUNE 30, 1980

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES	LAPSED	CONTINUING APPROPRIATIONS
DIRECT STATE SERVICES					
Treasury	$ 7,921,000	$ --	$ 7,886,294	$ 34,706	$ --
STATE AID					
Education	573,100,000	--	572,092,625	1,007,375	--
Treasury	362,000,000	--	360,894,109	1,105,891	--
TOTAL PROPERTY TAX RELIEF FUND	$ 943,021,000	$ --	$ 940,873,028	$ 2,147,972	$ --

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 1980

DIRECT STATE SERVICES					
Law and Public Safety	$ 11,775,000	$ --	$ 11,650,015	$ 124,985	$ --
Treasury	4,755,000	--	4,753,539	1,461	--
TOTAL CASINO CONTROL FUND	$ 16,530,000	$ --	$ 16,403,554	$ 126,446	$ --

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 1980

DIRECT STATE SERVICES					
Energy	$ 46,000,000	$ --	$ 20,930,931	$ 25,069,069	$ --
STATE AID					
Treasury	17,000,000	--	17,000,000	--	--
TOTAL CASINO REVENUE FUND	$ 63,000,000	$ --	$ 37,930,931	$ 25,069,069	$ --

STATE OF NEW JERSEY
EXPENDITURES
YEAR ENDED JUNE 30, 1980

Expenditures are made against authorized appropriations specifically identified in the Annual Appropriation Act or subsequent supplemental appropriations. Such expenditures are the number commonly associated with the Annual State Budget. The State, however, also makes expenditures against "other authorized appropriations." These appropriations include federal aid and certain receipts known as appropriated revenue. In addition, provisions in the Appropriation Act permit the carryforward of unexpended balances of prior appropriations.

Total expenditures in the General Fund in fiscal year 1980 were $5,742.8 million, an increase of $616.2 million over fiscal year 1979. Expenditures associated with the 1980 Annual Appropriation Act amounted to $3,891.8 million, an increase of $293.2 million or 8.1 percent over fiscal year 1979. In addition, expenditures from the Property Tax Relief Fund amounted to $940.9 million; expenditures from the Casino Revenue Fund amounted to $37.9 million; and expenditures from the Casino Control Fund amounted to $16.4 million. Grand total expenditures in fiscal year 1980 amounted to $6.7 billion, an increase of $636.1 million or 10.4 percent over fiscal year 1979.

Expenditures are made in four broad categories: state aid, direct state services, capital construction, and debt service. A summary of expenditures by these categories, supported by state tax revenue, follows.

STATE AID TO LOCAL GOVERNMENTS

State aid was the largest expenditure of the state budget. State aid pertains to those expenditures paid by the State to a local government or non-profit agency to help finance activities which are the responsibility of the local unit; such aid may or may not be based upon a statutory formula. In fiscal year 1980, over 51.0 percent of the State's expenditures consisted of funds which were distributed to homeowners, municipalities, counties, and school districts. The total dollars expended was $2,502.2 million—an increase of $116.8 million or 4.9 percent.

The largest state aid expenditure, $1,485.8 million, was provided for local elementary and secondary education programs. Of this amount, $789.3 million was provided as Equalization Aid to each school district by formula based upon the number of students and the ability of the school district to raise taxes from its own base. In addition, the State provided $107.1 million for special education programs for mentally retarded, visually handicapped, and other children with special needs. A compensatory education program ($68.5 million) was also funded for those children needing to improve basic skills such as mathematics, english, etc. The State also expended $303 million on behalf of local governments as the employer share of the teachers' pension and benefits programs, and $94.7 million to pay 90 percent of all approved pupil transportation costs. Additional state aid provided for a portion of the cost of building construction, school lunches, vocational education, adult and continuing education, and local library aid. The State supported 40 percent of the total school district expenditures in the State during 1980.

Expenditures by the Treasury Department totaled $557.9 million in state aid monies for fiscal year 1980. The principal programs funded were homestead rebates to homeowners to provide property tax relief ($276.6 million); the cost of senior citizens' and veterans' property tax deductions ($51.3 million); revenue sharing to municipalities to reduce property taxes ($50 million); replacement revenues for taxes previously paid by railroads ($4.1 million); taxes previously paid on business personal property ($158.7 million); and in lieu of tax payments ($10.6 million).

Other expenditures of state aid in fiscal year 1980 included welfare programs ($240.9 million); aid to county colleges ($52.9m) municipal aid to 31 urban communities to maintain and upgrade municipal services ($63.6 million); youth and family social services ($24.6 million); aid to county mental hospitals and community mental health facilities ($28.9 million); and local transportation aid ($27.5 million).

STATE OF NEW JERSEY
EXPENDITURES
YEAR ENDED JUNE 30, 1980

DIRECT STATE SERVICES

The second largest portion of expenditures in fiscal year 1980 was applied to direct State Services programs, under the direct responsibility of the State government's nineteen departments, the Executive Office, several commissions, the Legislature, and the Judiciary. In fiscal year 1980, expenditures for Direct State Services aggregated $4,032.6 million and represented approximately 40 percent of expenditures. Some of the major expenditures for direct State services during fiscal year 1980 are mentioned as follows.

A total of $1,322.1 million was expended for programs administered by the Department of Human Services. Of that amount, $322.1 million was expended on the State's share of Medicaid, which provides hospital, nursing home, medical, and pharmacist services for those recipients of various categories of welfare programs. Further expenditures were made for aid to the aged, disabled, and blind; for day care centers, homemaker services, and other social services; juvenile reform programs, and mental health and mental retardation programs including one psychiatric hospital, two developmental institutions and seven schools for the mentally retarded. The Department of Health also expended funds for the control of communicable diseases, maternal and child health services, and the operation of public health laboratories.

A total of $211 million was expended by the Department of Education for the support of the state colleges, rutgers University, the New Jersey Institute of Technology, and the Educational Opportunity Fund Scholarship.

A total of $211 million was expended by the Departments of Law and Public Safety, and Corrections. Among the programs supported by this expenditure, were the administration of the State's eighteen correctional facilities and parole activities; the registration and regulation of motor vehicles and licensed drivers; and the investigative and enforcement activities of the State Police.

A total of $414 million was expended by the Department of Transportation for the various programs it administers, such as the maintenance and improvement of the State's highway systems of 10,087 lane miles, and operating subsidies for railroads and bus companies.

A total of $51 million was expended for community development and environmental protection programs, principally for the protection of air, land, forest, wild life, shellfish resources, and for the provision of outdoor recreation.

DEBT SERVICE

The primary method of state financing of capital projects is through the sale of general obligation bonds of the State of New Jersey. These bonds are backed by the full faith and credit of the State. State tax revenues are pledged to meet the principal and interest payments required to fully pay the debt. When the State sells bonds, it commits itself to repay the borrowed amount in full and with interest. Debt Service refers to these annual principal and interest payments. The total of principal and interest paid in fiscal year 1980 was $164 million, as compared to $162 million in fiscal year 1979. Debt Service represents 3.4 percent of the total state budget.

CAPITAL CONSTRUCTION

In 1980, $165.5 million, or 3.4 percent of the state budget, was expended for Capital Construction, as compared to $192.5 million in 1979. Monies expended for Capital Construction represent the State's effort on a pay-as-you-go basis as contrasted to issuing bonds.

The largest pay-as-you-go capital expenditure was in the area of highway construction ($147 million). These monies include federal funds which were matched by state funds for highway construction under one of several federal programs; namely, Interstate Highway Projects, Urban Highway Projects, Rural Highway Projects, and Highway Safety Projects. Other capital monies were used to finance highway projects which were not eligible for federal highway aid. Most of the remaining capital expenditures were for renovations and improvements at state institutions and colleges.

Capital expenditures are subject to the review and recommendation of the New Jersey Commission on Capital Budgeting and Planning. This permanent commission was established in November, 1975, and is charged with the preparation of the State Capital Improvement Plan, which contains proposals for state spending for capital projects. The Capital Improvement Plan must be submitted to the Governor and the Legislature by December 1 of each year. The recommendations for expenditure from both the General Fund and the bond fund accounts made by the Commission to the Governor and the Legislature were fully recognized in both the 1979 and 1980 state budgets.

STATISTICAL AND FINANCIAL INFORMATION

STATE OF NEW JERSEY
GENERAL FUND
PROPERTY TAX RELIEF FUND, GUBERNATORIAL ELECTIONS FUND,
CASINO CONTROL FUND AND CASINO REVENUE FUND
FIVE-YEAR FINANCIAL SUMMARY
(thousands)

	1980	1979	1978	1977	1976
REVENUES					
Anticipated Revenues					
Sales tax	$ 1,179,877	$ 1,097,686	$ 1,003,034	$ 905,149	$ 829,495
Income tax	968,821	838,498	748,903	696,099	--
Corporation taxes	644,770	556,298	515,245	421,714	378,163
Motor fuels tax	280,260	297,839	295,747	288,818	281,517
Motor vehicle fees	267,457	250,764	233,537	223,059	195,332
Cigarette tax	170,572	169,870	170,088	168,780	167,716
Inheritance tax	111,047	100,436	96,315	86,618	79,361
Lottery	145,877	122,043	96,041	78,155	66,118
Genereal revenue sharing	75,391	74,838	71,307	69,473	67,079
Casino tax	70,952	25,935	2,504	--	--
All other	752,310	781,519	687,078	569,999	661,740
Total Anticipated Revenues	4,667,334	4,315,726	3,919,799	3,507,864	2,726,521
Appropriated Revenues					
Federal	1,588,071	1,396,210	1,238,248	1,240,272	958,575
All other	395,697	201,009	207,308	348,808	291,120
Total Appropriated Revenues	1,983,768	1,597,219	1,445,556	1,589,080	1,249,695
Total Revenues	$ 6,651,102	$ 5,912,945	$ 5,365,355	$ 5,096,944	$ 3,976,216
EXPENDITURES					
Budgeted Expenditures					
State Aid	$ 2,502,185	$ 2,372,814	$ 2,069,949	$ 1,697,331	$ 1,219,365
Direct State Service	2,055,107	1,821,535	1,654,108	1,296,937	1,318,123
Capital Construction	165,257	99,708	85,050	216,735	54,428
Debt Service	164,473	162,006	144,422	112,273	112,243
Total Budgeted Expenditures	4,887,022	4,456,063	3,953,529	3,323,276	2,704,159
Appropriated Expenditures					
Federal	1,542,502	1,464,800	1,314,563	1,232,444	1,074,174
All other	308,465	181,084	170,440	333,204	281,990
Total Appropriated Expenditures	1,850,967	1,645,884	1,485,003	1,565,648	1,356,164
Total Expenditures	$ 6,737,989	$ 6,101,947	$ 5,438,532	$ 4,888,924	$ 4,060,323
UNRESTRICTED FUND BALANCES					
General Funds	$ 228,688	$ 217,161	$ 164,128	$ 101,126	$ 91,832
Property Tax Relief Fund	28,787	970	117,382	134,609	--
Gubernatorial General Elections Fund	2,840	1,417	189	1,094	--
Casino Control Fund	(8,004)	(4,039)	--	4,100	--
Casino Revenue Fund	28,941	8,765	1,513	--	--
DEBT DATA					
Authorized	$ 3,189,950	$ 2,714,950	$ 2,389,950	$ 2,239,950	$ 2,104,950
Outstanding	1,755,530	1,712,725	1,589,105	1,533,220	1,360,320
Debt Service Provision	164,473	162,006	144,422	112,273	112,243
Debt Service as Percent of Budgeted Expenditures	3.37%	3.64%	3.65%	3.38%	4.15%

STATE OF NEW JERSEY
NEW JERSEY STATE GOVERNMENT WITHIN THE FEDERAL/STATE/LOCAL TAX SYSTEM
FISCAL YEAR ENDING JUNE 30, 1980

GENERAL FRAMEWORK

The people of New Jersey receive services from the three levels of government—the federal, state, and local. Our intergovernmental system is such that the money needed to finance these services may come from one or more of these levels of government. The transfer of this money from one level of government to another comes in the form of governmental aid.

In New Jersey, as in most states, the cost of these services may vary from one jurisdiction to another. Such factors as the ability of a local government to raise taxes, the level of services requested by the people, the efficiency of the governmental units involved, and the prevailing wages in the area all influence the final cost of government services. Thus, in order to have a complete picture of the State's financial operation, an understanding of the federal/state/local fiscal system is presented.

MONEY FLOW WITHIN THE SYSTEM

The intergovernmental financial system in the United States is becoming increasingly interdependent, as states and local units depend more than ever on external intergovernmental sources of revenue. Approximately one-fourth of all state revenues come from the federal government, and more than 40 percent of local government revenues are secured from state and federal sources. For 1979, the latest year of published comparative statistics, all levels of government raised almost $829 billion, of which approximately $499 billion was raised at the federal level. Almost 15 percent of the federal revenues was funneled back to state and local governments. In addition, some of the federal money transferred to the state governments is combined with state-aid funds so that the amount available to local governments nationwide for spending is in excess of $232 billion.

Similar flows of money take place within the State of New Jersey. Taxes are paid by the residents to federal, state, and local governments. The federal government returns some portion of the dollars to the state and to the local governments by means of grant-in-aid programs; and the State of New Jersey, in similar fashion, returns tax dollars to local municipalities, counties, and school districts by means of "State Aid" allocations (51 percent of 1980 state expenditures were disbursed in the form of state aid). Comments pertaining to federal aid and the state and local tax structure in New Jersey follows.

FEDERAL AID

Residents of every state pay federal income taxes, and to that extent are paying on a comparable basis for the services we receive directly from the federal government. However, the amount of federal taxes which are returned to New Jersey local and state governments for their program use is not directly related to the amount of taxes the people of New Jersey have paid to the federal government. Federal aid is returned to state and local governments based upon various factors, such as population, age of housing stock, etc. Some funds must be applied for under various grant-in-aid programs.

Based upon data compiled by the Tax Foundation, New Jersey state and local governments received $2.7 billion in grants in 1979, but residents in the State had an estimated tax burden of $3.1 billion. Thus, the tax burden per dollar of aid in New Jersey is approximately 1.16. This can be contrasted, for example, to the State of Mississippi, where the tax burden on its residents is .53 per dollar returned; therefore, the state and local governments receive almost twice as much in federal grants as the residents pay in federal taxes. During the past several years, New Jersey has raised its ranking in total receipts so that the tax burden per dollar of aid has decreased from $1.30 in 1976 to the present $1.16. For 1979, the latest year of published statistics, the following data is applicable to New Jersey.

(1) New Jersey's total of $2.7 billion is the ninth highest among the states, and represents an increase of $164 million over the previous year, and the thirteenth highest increase in the country.

(2) New Jersey has increased its per capita aid from $348 to $370.

(3) Of the total amount, the General Fund of the State of New Jersey realized $1,396 million in fiscal year 1979, and $1,586 million in fiscal year 1980.

STATE OF NEW JERSEY
NEW JERSEY STATE GOVERNMENT WITHIN THE FEDERAL/STATE/LOCAL TAX SYSTEM
FISCAL YEAR ENDING JUNE 30, 1980

STATE TAX STRUCTURE

The State receives substantially all of its General Fund revenues, except for federal aid, from a series of non-property related taxes and excises. Approximately 73 percent of General Fund revenues in fiscal year 1980 came from six sources; namely, the Sales Tax ($1,180 million), Motor Fuel Tax ($281 million), Corporation Taxes ($627 million), Motor Vehicle Fees ($267 million), the Cigarette Tax ($171 million), and the Inheritance Tax ($111 million). On July 6, 1976, Governor Byrne signed legislation establishing the Gross Income Tax. The Tax is calculated at the rate of 2 percent on the first $20,000 and 2.5 percent on amounts over $20,000 of taxable income. The proceeds are dedicated to state aid and property tax relief, and are deposited in a special fund entitled the Property Tax Relief Fund. Income taxes may not be used to support state operations. The Income Tax for fiscal year 1980 yielded $969 million and represented 19 percent of total own-source revenue.

The Division of Taxation administers most of the taxes collected by the State—the exceptionsbeing primarily pari-mutuel racing, motor vehicle licenses and fees, and the motor fuels use tax. In addition, the Division of Taxation is responsible for assessing and certifying over $460 million of public utility and insurance taxes to municipalities and counties. Effective January 1, 1980, the State, in addition to certifying public utility taxes, also collects such taxes and in turn distributes such funds back to the municipalities. Also, the State, through the Division of Taxation, supervises and coordinates local property tax procedures for the twenty-one county boards of taxation and the 567 local taxing districts. The State does not collect the local property tax or use any of its revenue.

LOCAL TAX STRUCTURE

The largest revenue source at the local level is the property tax. Other major revenue sources include state aid assistance, federal aid assistance, and various miscellaneous revenues, such as licenses, fees, and permits. Thus, the property tax in New Jersey is a local tax. This means that the tax is assessed and collected at the municipal level for the support of local schools, municipal government, and county government. The State receives no portion of these taxes and, in fact, in 1980 paid out approximately 51 percent of the State's tax revenue to counties, municipalities, and school districts in some form of State Aid.

The property tax in New Jersey is a residual tax; that is, it is the tax levied to raise the amount of money required to meet budgeted expenditures not covered by monies available from all other sources. The local property tax is an ad valorem tax,in that each taxpayer shares in the total tax burden of his municipality in direct proportion as the value of his property bears to the total value of all property in his town. Thus, the amount of an individual's property tax bill is determined by the dollars needed to support the local schools, the county and the municipal government, and by the proportionate value that one's property bears to the total value of all property in the municipality. Any increase in the cost of municipal, county, or school district services or any decrease in the amount of State Aid or Federal Aid, without offsetting increases in new ratables, will cause an increase in the amount of property taxes a homeowner must pay.

In tax year 1980, local property tax levies increased by approximately $300 million. However, over the four-year period since the institution of tax reform, the total property tax growth has been held to less than a 1.3 percent average per year increase. This compares to an average rate growth of over 10 percent during the prior 15-year period. If property taxes had continued in their prior pattern of 10 percent annual increases, the property taxes for 1980 would have been $4.9 billion, instead of a tax levy, adjusted for Homestead Rebates. of $3.5 billion—a differential of $1.4 billion or 28 percent.

STATE OF NEW JERSEY
SUPPLEMENTARY FISCAL DATA
YEAR ENDED JUNE 30, 1980

FINANCING OF PENSIONS

Virtually all of the public employees of the State and its counties, municipalities, and political subdivisions are members of pension plans administered by the State. The State operates seven retirement plans. Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF), created by acts of the State Legislature in 1920 and 1919, respectively, are the principal plans, together covering 313,000 out of the total 352,000 members covered by all state administered plans. The other systems are Police and Firemen's Retirement System, Consolidated Police and Firemen's Pension Fund, State Police Retirement System, Judicial Retirement System, and Prison Officers' Pension Fund.

State law regulates the administration of the pension fund systems. State law requires that all systems (except the Prison Officers' Pension Fund, which is closed to new members and whose obligations are funded from current appropriations) are subject to actuarial valuation every year and actuarial investigation every three years. Such valuations and investigations are designed to insure that these programs adequately recognize the additional costs resulting from experience or legislative changes in the benefits to be paid. As these systems are fully funded reserve programs, any amendment increasing liabilities is met by an increase in the normal contribution as well as the establishment of an accrued liability to be financed over a period of years as specified in the amendatory statute.

State law also provides that any changes in pension fund benefits must be approved by the Legislature, and that each bill submitted to the Legislature must be accompanied by a fiscal note stating the cost of the proposal. State law provides that pension fund benefits are not subject to negotiations between the State and other public employers and the employee members of the plan.

Nearly all employees are members of contributory plans, with fifteen years of employment required before the benefits become vested. Upon retirement, after thirty years of service (twenty-five for policemen and firemen), members are eligible for annual pension benefits equal to one half of their average contractual or base salary for their three final or highest paid fiscal years of service. After a member has been retired for two years, he is eligible for the pension adjustment program, which provides for an adjustment in benefits equal to 60 percent of the change in the consumer price index. All members of state administered plans, except policemen and firemen, qualify for social security benefits in addition to benefits of the retirement plans.

The various funds were analyzed between December 31, 1978, and July 1, 1979, by independent actuaries who reported the following data.

The present value of projected benefits (including both vested and nonvested benefits) for the six pension funds approximated $12.6 billion at the valuation dates. The studies indicated that book value of all assets of the funds were in excess of $5.7 billion.

With regards to the same funds, the present value of future contributions from members approximates $2 billion, and the present value of future normal costs approximates $4 billion: and thus, the accrued liability of the above six funds is approximately $6.6 billion. On this basis, the $5.7 billion book value of all assets compared to the $6.6 billion accrued liability, represents a funding level of 86 percent.

A summary of the six funds is listed below.

	Funding Began	Date of Valuation	Accrued Benefit Liability	Book Assets
PERS	1920	3/31/79	$2,067,508,194	$1,875,616,407
TPAF	1919	3/31/79	2,894,236,593	2,519,515,179
Police & Firemen's	1944	6/30/79	1,253,533,303	1,139,799,345
Consolidated Police and Firemen's	1953	12/31/78	221,592,982	86,135,290
State Police	1965	6/30/79	139,139,584	111,924,488
Judicial	1973	6/30/78	45,395,942	18,943,671
TOTAL			$6,621,406,600	$5,751,934,380

The Division of Investment of the Department of the Treasury, which is under the independent supervision of the State Investment Council, invests the assets of the State administered pension plans. The book value of the aggregate investments of the pension funds was $6,215.3 million at June 30, 1980. The net investment earnings of pension fund assets were $294.5 million, $353.7 million, and $416.1 million for the fiscal years ended June 30, 1978, 1979, and 1980, respectively.

In PERS, the State pays the cost for state employees, while counties, municipalities, school districts, and local public agencies pay the cost for their employee members. The State, rather than local school boards, pays the employer contributions to TPAF, including the employer's share of the Social Security tax, in respect to public school teachers in the State. The other retirement systems administered by the State include the Police and Firemen's Retirement System, which is primarily established for municipal policemen and firemen. The State's participation in this system is limited to those state-employed law enforcement officers who have been permitted to enroll therein.

The State also administers the Consolidated Police and Firemen's Pension Fund, which is a system composed entirely of municipal policemen and firemen who were first employed prior to 1944. The system was established on a funded basis in 1953, with its unfunded liability to be amortized over a period of 30 years. The State pays one-third of the accrued liability of that system, even though there are no state employees who are members.

There are only state employees in the Prison Officers' Pension fund, a system which has been closed to new members since 1960 and which now contains 135 remaining members. Because of its nature, the system does not lend itself to a reserve program and its obligations are being met out of current appropriations. The State maintains a State Police Retirement System which was placed on a funded basis in 1965. The State also administers the Judicial Retirement System, which was placed on a funded basis in 1973.

In addition to these defined benefit programs, the State also maintains the Alternate Benefit Program, which is a defined contribution plan for full-time members of the faculties at Rutgers, the State University; the New Jersey Institute of Technology; the College of Medicine and Dentistry; and state and county colleges. This plan is underwritten by the Teacher's Insurance and Annuity Association and the College Retirement Equities Fund. The State pays a fixed rate of contribution comparable to the normal contribution which would be required in a defined benefit program.

The consolidated pension expenditures of the General Fund for fiscal year 1980 was $290.6 million.

EMPLOYEE RELATIONS

The State of New Jersey, as a public employer, is covered by the New Jersey Public Employer-Employee Relations Act, P.L. 1941, c. 100, as amended, which guarantees to public employees the right to negotiate collectively through employee organizations certified or recognized as the exclusive collective negotiations representative for a unit of public employees found to be appropriate for collective negotiations purposes. Of the State's approximately 78,000 (including personnel at Rutgers University and the College of Medicine and Dentistry) employees, 68,000 are represented by certified or recognized exclusive majority representatives and are organized into 26 negotiating units.

The Act specifies a negotiations process which includes mediation and advisory fact finding in the event of a negotiations impasse. This process is geared to the public employer's budget submission process. Thus, unless there is a multi-year agreement in effect, negotiations begin in October and the entire process, including mediation and fact finding, should be completed prior to the Governor's submission of a budget to the Legislature in February of each year, so that the budget process can reflect the results of negotiations. In the event that negotiations are not completed by the February budget submission date, a later supplemental appropriations request is made. The economic provisions of negotiated agreements generally take effect at the beginning of each fiscal year.

In fiscal year 1980, most state employees were in the first year of a two-year contract, and received an across-the-board increase of 5.5 percent. In addition, employees who received at least satisfactory performance ratings also received merit increments in accordance with the Compensation Plan. On the average, these increments amounted to 4 percent per eligible employee. Also, some bargaining units received one-time bonus payments of $100 and $50. Two bargaining units negotiated an across-the-board salary increase of 7 percent with no merit increases.

INVESTMENTS

The Division of Investment in the Department of the Treasury has the responsibility for investing seventy-four funds, including six pension and annuity funds. The statutes provide for an Investment Council and a Director. The Council consists of ten members, five appointed for staggered five-year terms by the Governor and five appointed for one-year terms by five of the pension systems.

Prior to 1950, investment was limited by law to United States government and municipal obligations. Over the years, various amendments have been made to the law which have materially increased the scope of potential investment opportunities and provided a foundation for achieving a better portfolio balance and diversification. At the present time, the pension fund systems are permitted to invest in property of every nature, including common stocks, under the prudent-man rule. Present regulations of the State Investment Council govern all of the Division's investments and limit the authority of the Director to investment of not more than 25 percent of the book value of any one pension fund in common stock.

The book value of all securities held by the State investment funds as of June 30, 1980, was $7.9 billion, an increase of 18 percent, or $1.2 billion from fiscal year 1979. Of the $7.9 billion book value of funds, the assets of the six pension funds represent $6.2 billion, while the remainder is in trust funds and other state funds.

The net investment earnings produced by the investments in fiscal year 1980 were $538.5 million, an increase of $117.6 million or 28 percent from the prior year. The State share of the earnings was $95.1 million, while the largest portion, $416.1 million, was earned on securities held by the state-managed pension funds. The remaining $27.3 million was earned on state trust funds, the earnings of which are retained by the individual fund. The investment earnings, for example, in the case of the pension funds, enable the State to reduce its obligation to appropriate tax dollars to fund the accrued liability of the State's pension obligations.

Cash Management Fund

The New Jersey Cash Management Fund is an investment pool made up of assets of a number of state funds, together with deposits from "Other than State" entities, including counties, municipalities, school boards, and other eligible public entities. The book value of units of participation in the fund grew from $671.8 million at the beginning of fiscal year 1980 to $1,484.8 million at the end of the fiscal year. "Other than State" participation began in January, 1978. By the end of fiscal year 1980, 198 applications had been received and approved, 120 "Other than State" entities were participating in the fund, and their total participation aggregated $475.0 million, compared with $48.8 million at the end of the prior year.

The fund provides that eligible participants can deposit and withdraw funds at any time and earn daily interest at a rate which reflects interest and amortization income of the securities in the fund. The gross average daily return for the fund on an annualized basis was 11.63 percent in fiscal year 1980, compared to 9.07 in the prior year. The principal advantage of the Cash Management Fund is the ease of investing idle funds for indeterminate periods of time at a rate of return which compares favorably with other day-of-deposit/day-of-withdrawal investment alternatives.

STATE OF NEW JERSEY
SUPPLEMENTARY FISCAL DATA
YEAR ENDED JUNE 30, 1980

FINANCIAL COMPARISONS WITH OTHER STATES

Comparisons with other states indicate that New Jersey state government is at the low-end of the range in terms of total expenditures as a percent of personal income. The State is also considerably below the average in number of employees. Personal income is considered a good measure of tax burden because it considers the tax paying capacity of the citizens of the State.

The data below compares New Jersey state government as well as all levels of government in the State with national statistics for the year 1979—the latest year of published statistics from the U.S. Department of Commerce.

STATE GOVERNMENT

- New Jersey's per capita personal income was $9,742 for calendar year 1979, which placed it seventh among the 50 states. The per capita personal income is nearly $1,000 above the national average of $8,773.

- Total expenditures per $1,000 of personal income for 1979 was $101.73 which placed New Jersey forty-second among the 50 states. The median state expenditure nationwide was $117.83.

- The number of New Jersey state government employees as of October, 1979 was 112 per 10,000 population, which placed the State forty-sixth in the nation or fourth from the bottom. The U.S. average is 140 employees per 10,000 population.

STATE GOVERNMENT AND LOCAL GOVERNMENT DATA

When all levels of government in the State are considered, that is, state government, local governments, and school districts, the State is still near the bottom of the scale. The following comparative statements can be made relative to expenditures and employees.

- New Jersey ranks thirty-seventh in total expenditures per $1,000 of personal income in 1979. Such expenditures amounted to $179.57. The national average expenditure was $190.82.

- The number of employees in the State was 497 per 10,000 population, which placed the State thirtieth in the nation.

PUBLIC AUTHORITIES AND AGENCIES

STATE OF NEW JERSEY

PUBLIC AUTHORITIES AND AGENCIES
YEAR ENDED JUNE 30, 1980

Authorities are public, corporate entities, created by the State under enabling legislation to carry on a specific function outside the regular structure of government. They are legal entities which may incur debt, own property, and have the power to finance their activities by means of user charges.

Historically, public authorities were established to finance, construct, and operate, on a self-sustaining basis, revenue producing facilities of a public benefit, such as bridges and roads. Later, authorities were used to finance types of construction traditionally financed by the State itself, such as state university and health facilities. More recently, public authorities have served as financing vehicles to undertake services once provided by private enterprise, such as stadiums, housing, and capitalization for business development or expansion.

Generally, public authorities are not defined either in the New Jersey Constitution or in statute. Instead each authority has been established to perform a specific set of functions and has been given specific, unique powers in the enabling legislation establishing the agency. There are twelve state authorities or agencies within New Jersey which have the legislative power to issue bonds. In addition, there are five regional or bi-state authorities which provide facilities and/or do planning for New Jersey residents, but which do not operate solely within the boundaries of New Jersey. A short description of the twelve statewide authorities and the five regional authorities follows.

STATE AUTHORITIES

SOUTH JERSEY PORT CORPORATION

The South Jersey Port Corporation, an entity of the State's Department of Labor and Industry, was created in 1970 by the South Jersey Port Corporation Act. The act conferred upon the corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempy revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which dedicates funds to several commission funds.

The Corporation operated two marine terminals in the Camden area—the Broadway Terminal, acquired from the now defunct New York Shipbuilding Corporation, and the Beckett Street Terminal, for which the Corporation utilized a portion of the $16 million of Marine Terminal Revenue Bonds in 1970—for the importing and exporting of goods and materials and cargo handling. Since 1970, gross revenues of the Port have increased from $1.9 million to $6.5 million in 1979. There has been a commensurate increase in Port tonnage, with over one million tons being handled in each of the last seven years. This activity has been translated into millions of dollars of economic benefit to the South Jersey area. While net revenues were not sufficient to fully cover debt service in calendar years 1972-77, the State provided the necessary funds by appropriations equal to the certified deficiencies in the Bond Reserve Fund. For the calendar years 1978 and 1979, the Port Corporation covered debt service requirements from operating revenue.

NEW JERSEY MORTGAGE FINANCE AGENCY

The New Jersey Mortgage Finance Agency was created by the Legislature in 1970 as an independent public body to increase the availability of mortgage and home improvement lending to residents of the State. The Agency is specifically authorized to issue bonds and notes both to provide funds to private lenders for direct, permanent mortgage loans and to create a secondary market for the purchase of residential mortgages and home improvement loans. Established to finance single family housing, all of the Agency's programs to date are directed toward the one to four-unit homeownership market.

In March, 1977, the Agency launched its innovative Neighborhood Loan Program—the first state mortgage purchase program in the country to be targeted to urban neighborhoods. Three hundred and five million dollars in bonds has been sold to finance the purchase of lower interest rate, first mortgage loans from participating lending institutions. Designed to encourage homeownership in urban areas by increasing the flow of mortgage lending there on affordable terms, the Neighborhood Loan Program is available in forty-one urban municipalities and will finance the purchase of approximately 3,000 homes each year as an ongoing program.

A statewide home improvement loan program was initiated by the Agency in March, 1978, to provide such loans at a below-market interest rate to homeowners of modest income. Two bond issues totaling $32 million have been sold to finance the purchase of these low interest loans from participating lending institutions. Approximately 5,000 households will be upgraded, enlarged, or made more energy efficient through these funds.

In the spring of 1980, the Agency implemented a $2,000,000 demonstration solar hot water loan program under the Home Improvement Loan Program to encourage interest in such energy saving systems and to evaluate the demand for such financing. All funds allocated to this program were committed to homeowners within six weeks of its public announcement. The Agency is analyzing the result of the solar loan program to determine the need for and design of a permanent large-scale solar energy loan program.

The Agency's initial focus to activity from 1971 to 1976 was the operation of its Loan to Lenders Program, the first such program in the country. The program was financed by eight bond issues totaling $456,450,000, resulting in the financing of more than 20,000 housing units throughout the State.

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private non-profit health care institutions of the State.

As of June 30, 1980, the Authority has issued bonds totaling over $635 million, the proceeds of which were utilized for the construction, modernization, and/or new equipment as well as for the refinancing of existing debt of forty-seven hospitals and other health care facilities.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell tax-exempt notes and bonds. The Authority may finance only revenue producing facilities on public college campuses; it is not so restricted for the independent institutions and may finance academic buildings as well.

Since its inception, the Authority has provided financing for the construction of 32 projects for 17 colleges and universities in the State of New Jersey. The projects include academic buildings, student centers, dormitories, student apartments, parking facilities, cafeterias, and athletic/recreation centers.

The Authority has issued bond anticipation notes (temporary financing) in the amount of $285,457,000 and bonds in the amount of $139,239,000. As of June 30, 1980, the Authority had outstanding bonds payable in the amount of $145,801,000.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

The New Jersey Economic Development Authority, created in 1974 as a public body corporate and politic, is designed to provide long-term, low-interest financing to private firms and companies for the purpose of maintaining and expanding employment opportunities in the State of New Jersey. To accomplish its objectives, the Authority has developed the following programs.

- Tax-exempt industrial development bonding, which provides low-interest financing for companies seeking to expand in or relocate to New Jersey. In the fiscal year ending June 30, 1980, the Authority arranged financing for 495 projects, totaling over $729 million in low-interest financing, and sparking over $887 million in investment in the State's economy.

- Direct loan and loan guarantees, which are provided to private companies for purposes of fixed asset or working capital expansion. In the fiscal year ended June 30, 1980, the Authority closed 15 direct loans and loan guarantees for a total Authority exposure of $4,826,750, which will result in private investments of more than $14 million.

- Urban Industrial Park Program, in which the Authority acts as purchaser and developer of urban renewal land located in certain urban aid municipalities. The Authority's development of properties in Jersey City and Elizabeth was completed in the past year, and a number of contracts were signed for sale of individual parcels to industrial users. Ultimately, the Authority's total investment of approximately $4,000,000 in these two parcels is expected to create at least 1,000 jobs at those industrial sites. The Authority has also begun the development of a third urban industrial park project, the Trenton Marine Terminal in Trenton.

- Trade Adjustment Assistance Center—the Authority received an additional grant from the U.S. Department of Commerce, bringing the two-year total to $1,435,000 for continued operation of this center. Manufacturing firms which have been adversely affected by imports may qualify for technical assistance (in marketing, sales, engineering, accounting, etc.) as well as financial assistance in the form of direct loans and loan guarantees funded by the U.S. Economic Development Administration. During the fiscal year ended June 30, 1980, the Center provided technical assistance to 21 firms in New Jersey in the total amount of $315,833. Loans were provided to nine companies totaling $10,907,000.

NEW JERSEY TURNPIKE AUTHORITY

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority. Recent operations projects such as the Automatic Traffic Surveillance and Control System have made the State's turnpike among the safest of the heavily trafficked roads in the country. All major contracts have been awarded for a project to construct a new Interchange (13A) at the southern end of Newark International Airport. The cost of this new facility, estimated at $80 million, is shared by the Port Authority of New York and New Jersey, the New Jersey Department of Transportation, and the Turnpike Authority. Completion is scheduled for 1982. The fatality and accident records of the Authority have been the best in New Jersey, and have contributed to the State's record as the safest in the nation.

NEW JERSEY EXPRESSWAY AUTHORITY

The New Jersey Expressway Authority, created in 1962 as a body corporate and politic, is authorized and empowered to acquire, construct, maintain, repair, and operate Atlantic City Expressway projects at lawfully established locations and to issue its bonds for such purposes. The existing roadway serves as a link between the Philadelphia metropolitan area and the seashore counties bordering the Atlantic Ocean. The principal source of revenue for the Authority is the money received from Expressway tolls, the rate schedules of which are set by independent traffic consultants, representing the bond holders. The original bond issue for the construction of the Expressway totaled $52,625,000. As of June 30, 1980, the outstanding debt was $35,900,000.

NEW JERSEY HIGHWAY AUTHORITY

The New Jersey Highway Authority, created in 1952 as a body corporate and politic, is authorized to acquire, construct, operate, and maintain highway projects (specifically the toll portions of the Garden State Parkway) with the provision that the Governor shall have the right to veto any action, except collective bargaining; and that the approval of the Governor and State Treasurer or Comptroller shall be required prior to adoption of any bond resolution or revision of tolls. The Authority also has been responsible for construction and maintenance of the Garden State Arts Center.

The Highway Authority is the number one toll road in the nation for vehicular use. The State of New Jersey guarantees payment on $81,937,000 of bonds due 1980-88; however, the State believes that revenue from the Authority will be sufficient to provide for payment of debt service without recourse to the State's guarantee.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, has been responsible for the financing, construction, and management of Meadowlands Racetrack and Giants Stadium, both of which opened in 1976. An arena seating 20,000 is under construction and is expected to open in the spring of 1981. The Authority is charged with the responsibility for providing facilities in the Hackensack Meadowlands for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and provides the terms and security thereof.

The Stadium-Racetrack project, parking facilities, and land on which the arena is under construction is on a 588-acre site. The track accommodates approximately 35,000 spectators and averages 17,200 patrons nightly for thoroughbred and standardbred racing. The Stadium has a capacity of 76,800 and is the home of the Giants of the National Football League and the Cosmos of the North American Soccer League. The arena, to be the home of the New Jersey Nets basketball team and eventually a hockey franchise, will seat approximately 20,000 spectators.

On December 14, 1978, the debt of the Sports Authority was refinanced. Under the program, the outstanding debt of the Authority with an average interest cost of approximately 7½ percent was refunded by the proceeds of a new issue of Authority bonds, secured by a state guarantee and by racetrack and stadium revenue. Because of the State's AAA credit rating, the interest rate (5.82 percent) was substantially lower, and it is estimated that the reduced debt service costs and other first year adjustments will result in a savings of $115 million over the life of the bonds. In addition, under a new lien structure made possible by the refinancing, the debt service costs for the new indoor sports arena will be reduced by $42 million compared with the original financing plan for the arena. By law, all surplus funds of the Authority are paid to the State Treasury. The combined value of this plan, therefore will provide an additional $157 million to the State over the life of the bonds.

RUTGERS, THE STATE UNIVERSITY

Rutgers, the State University, entered into an open-end indenture dated May 1, 1967, to provide a means of financing construction of auxiliary enterprise facilities such as student apartments, dormitories, and student centers, and to consolidate previously outstanding bond indebtedness. Under the terms of the indenture, all bonds issued are direct and general obligations of the University and are in no way obligations of the State. All revenues from auxiliary enterprise facilities construction, from the proceeds of the bonds, together with revenues from certain other such facilities, are pledged to secure the indebtedness. The excess of funds, after satisfying certain requirements, is available to the University.

HOUSING FINANCE AGENCY

Through the sale of short-term notes and tax-exempt revenue bonds, the New Jersey Housing Finance Agency (HFA) provides housing for senior citizens and low and moderate income families throughout the State. The Agency finances rental housing production, monitors and offers technical support in the planning, construction, and management of all its developments, and secures needed state and federal subsidies.

During the past year, the Agency completed three bond offerings totaling $190,230,000. Two of the issues, amounting to $168 million, financed the construction of more than 2,700 housing units for which federal Section 8 rent subsidies have been secured. The third issue is financing the development of 438 units which will benefit from federal Section 236 interest rate reduction subsidies. The Agency also raised $34 million in short-term notes to finance the construction of 668 federally insured housing units. The Agency loans will be purchased by the Government National Mortgage Association upon completion of construction, thereby enabling retirement of the notes.

In conformance with Governor Byrne's urban priority and a similar new federal emphasis, 66 percent of the Agency's financing activities during the past year was centered in the State's urban aid cities. This financing included a $8,560,000 mortgage loan for a development in Paterson and almost $25 million in mortgage loans to two Jersey City developments, which enabled the two cities to qualify for $2 million and $5 million, respectively, in federal Urban Development Action Grants. The federal monies will be used to carry out redevelopment activities in the areas of the housing construction. Federal support in the form of subsidies which insure that tenants pay no more than 25 percent of their income for rent have continued to play a vital role in the feasibility of Agency developments. The New Jersey Housing Finance Agency is nationally acknowledged as a leader in federally subsidized housing. It has secured more than $21 million in Section 8 rent subsidies for the 2,700 units beginning construction this year. Section 236 interest rate subsidies also have been reserved for the 438 units, but the amount has not yet been finalized.

In 1978, the Agency had secured such subsidies for a $19.4 million development in Camden, but the development still needed additional assistance. The Governor and State Legislature came forth with $2 million to enable the development to achieve feasibility and begin construction. During 1980, the ownership of the development was sold, with the sale generating sufficient funds to permit the return of the $2 million to the State Treasury.

This year's financing also has necessitated the creation of an estimated 1,400 jobs for workers in the skilled construction trades. Municipalities also will benefit from this production through $1.4 million in annual tax receipts which will be forthcoming upon completion of these developments. Local governments already are receiving $7.4 million in annual tax receipts from occupied developments.

Since its inception, the Agency has raised more than $1 billion in mortgage financing for 144 developments, resulting in 28,030 units of housing. It also has provided $63.7 million in construction financing for an additional $1,838 units.

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION

The Hackensack Meadowlands Development Commission is a body corporate and politic established within the Department of Community Affairs under the provision of the Hackensack Meadowlands Reclamation and Development Act of 1969. Pursuant to the Act, the Commission is authorized and empowered to finance the reclaiming, planning, development, and redevelopment of the Hackensack Meadowlands (19,730 acres of waterway, tidal flow lands, and small portions of woodlands, marsh, and meadows contained within parts of fourteen municipalities and two counties, Bergen and Hudson) by issuing tax-exempt bonds and notes.

Many substantial actions have been taken during 1980 in the Hackensack Meadowlands District. In the area of solid waste, the HMDC Solid Waste Management Plan was approved by the Department of Environmental Protection. This provides for the eventual closing of all landfills in the Hackensack Meadowlands District and which, for the first time, specifically excludes New York and other out-of-state garbage from the Meadowlands District. Another significant objective was met when the baler was finally opened in the early part of 1980, fully funded through a $6.9 million Federal Public Works grant. The baler, which currently is capable of handling 1,000 tons of garbage daily, is being expanded to double its productivity. By February, 1981, when fully operational, it will be the largest solid waste baling facility in the country. Due to the baler, the active life of several of the existing landfills in the District is being prolonged, while at the same time we are using these bales to contour 800 acres of former landfills into DeKorte State Park. The HMDC is continuing to pursue resource recovery as the ultimate solution to the pressing problem of how to deal with 36,000 tons of garbage weekly. Recently, the Commission has applied for a federal grant from the newly established U.S. Synfuels Corporation to study the feasibility of developing an alcohol production unit as a component of resource recovery. This system would produce alcohol from garbage and, at the same time, would generate energy which could then be sold.

A final Master Plan for the development of the Richard W. DeKorte State Park was produced and adopted by the Commission. This 2,000 acre urban park, which would be ten times the size of Manhattan's Central Park, would preserve 1,200 acres of ecologically sensitive wetlands while creating active and passive recreation areas from former landfill sites. The final design of an Environmental Education Center to be located in DeKorte State Park is currently under way. This facility, which is being funded in part by the New Jersey Sports and Exposition Authority, will provide a unique opportunity for thousands, or perhaps millions, of New Jersey residents to participate in the very special ecosystems of the Hackensack Meadowlands.

Initial approval was also granted for the development of Berry's Creek Center, a unique combination of residential, commercial, and retail instruction which will serve as the "Town Center" for the Meadowlands District.

The first high-rise units of Harmon Cove Towers, an innovative housing development on the banks of the revitalized Hackensack River, have been occupied by the first residents. This typifies the popularity of the Hackensack Meadowlands District since the HMDC began operations ten years ago.

REGIONAL BOND-ISSUING AUTHORITIES

The five regional or bi-state authorities serving New Jersey are:

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

The Delaware River Joint Toll Bridge Commission is a body corporate and politic, created in 1934 by a compact between the Commonwealth of Pennsylvania and the State of New Jersey with approval of the United States Congress. The Commission is authorized and empowered, in certain cases with the requirement of federal governmental approval, to acquire, construct, administer, operate, and maintain such bridges as the Commission deems necessary to advance the interest of the two states, and to issue bonds and other obligations. The compact provides that Commission indebtedness shall not be deemed to constitute a debt or liability of the two states.

The Commission has authority over six toll-supported bridges, Trenton-Morrisville, New Hope-Lambertville, Easton-Phillipsburg, Portland-Columbia, Delaware Water Gap, Milford-Montague, from which excess revenues go toward bridge improvements and bond redemptions; plus thirteen state-owned and tax-supported bridges whose source of revenue for operation and maintenance comes from the States of Pennsylvania and New Jersey.

DELAWARE RIVER AND BAY AUTHORITY

The Delaware River and Bay Authority, created in 1962 with the consent of the United States Congress, is a body politic and an agency of the government of the States of Delaware and New Jersey. The Authority is authorized to plan, finance, develop, construct, purchase, lease, maintain, improve, and operate crossings, including bridges, tunnels, and ferries between the State of Delaware and the State of New Jersey across the Delaware River and Bay. To this end, the Authority may issue revenue bonds payable from operations of the Authority's facilities.

The Authority operates twin bridges, the Delaware Memorial Bridge (1951) and a second bridge which opened in 1968 financed by a $103,000,000 revenue bond issued in 1964. In addition, the Authority operates the Cape May-Lewes Ferry.

DELAWARE RIVER PORT AUTHORITY

The Delaware River Port Authority, originally created in the 1920s as a bi-state commission authorized to construct the Benjamin Franklin Bridge between Camden and Philadelphia, is a self-sustaining agency, operating without tax funds and getting most of its revenues from Authority operations. Since changing from a bridge commission to a port authority, the Authority has undertaken construction of three additional bridges—the Walt Whitman Bridge (1957), the Commodore Barry Bridge (1974), and the Betsy Ross Bridge (1976)—and expanded its responsibilities for regional mass transit—the Lindenwold Highspeed Line opened in 1969—and promotion of ports on the Delaware River, collectively known as The Ports of Philadelphia.

DELAWARE RIVER BASIN COMMISSION

The Delaware River Basin Commission was created by compact in 1961 as a body politic and corporate between the states of Delaware, New Jersey, and New York, the Commonwealth of Pennsylvania, and the United States of America. The Commission is responsible for developing and effectuating plans, policies, and projects relating to the water resources of the Delaware River Basin. To achieve this end, the Commission may issue bonds payable solely out of the properties and revenues of the Commission without recourse to taxation. However, the Commission has not issued any bonds to date.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

The Port Authority, a municipal corporate instrumentality of the States of New York and New Jersey, was created by compact between the two states in 1921, with the consent of the Congress of the United States to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation and world trade that contribute to promoting and protecting commerce of the Port District.

The Port Authority is financially self-sustaining; and, as such, it must obtain the funds necessary for construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments. Since its creation, investors have purchased almost $4.8 billion in obligations, of which over $2.1 billion was outstanding on December 31, 1979.

Authority facilities, all of which have been authorized by two states, include six trans-Hudson bridges and tunnels, three major metropolitan airports, a heliport, the World Trade Center, the PATH system of rapid transit, buses and ancillary bus facilities in the States of New York and New Jersey, as well as marine, passenger ship, motor truck, and bus terminals.

In August, 1978, legislation was adopted by the States of New Jersey and New York providing for Port Authority participation in a program of industrial development, including resource recovery and industrial pollution control facilities, in the Port District.

OUTSTANDING DEBT OF NEW JERSEY STATE AUTHORITIES AS OF JUNE 30, 1980

MORAL OBLIGATION DEBT

The authorizing legislation for two state authorities, the Housing Finance Agency and the South Jersey Port Corporation, provides for specific budgetary procedures with respect to certain obligations. According to the legislation, a designated official is required to certify any deficiency in the debt reserve fund maintained to meet payments of principal and interest on obligations, and an appropriation in the amount of the deficiency is to be made. The Legislature, however, is not legally bound to make such an appropriation. Bonds issued pursuant to authorizing legislation of this type are usually referred to as "moral obligation" bonds.

STATE OF NEW JERSEY
PUBLIC AUTHORITIES AND AGENCIES
YEAR ENDED JUNE 30, 1980

OTHER STATE AGENCY AND AUTHORITY DEBT

Other state-created entities have statutory authority to incur debt which is not "moral obligation" debt as previously defined and is incurred without any legislation providing for State appropriations to pay debt service thereon. This debt is supported by revenues derived from assets of the various projects financed by these entities. A portion of this debt is supported by lease payments to the issuing entity.

A summary of the debt of the State Authorities/Agencies, including moral obligation debt as of June 30, 1980, follows.

AGENCY	DEBT OUTSTANDING
New Jersey Housing Finance Agency	$1,113,075,000*
N.J. Sports and Exposition Authority	396,024,000**
South Jersey Port Corporation	29,950,000
N.J. Mortgage Finance Agency	584,609,000
N.J. Health Care Facilities Financing Authority	533,671,946
N.J. Educational Facilities Authority	145,801,000
N.J. Economic Development Authority	1,477,781,495
N.J. Turnpike Authority	804,795,000
N.J. Expressway Authority	35,900,000
N.J. Highway Authority	217,751,000***
Rutgers University	73,025,000
Hackensack Meadowlands Development Commission	-0-****
	$5,402,383,441

* Of the amount above for HFA, $1,050,725,000 represents moral obligation debt.
** Includes $297,045,000 of state-guaranteed refunding bonds.
*** Includes $81,937,000 guaranteed by the State.
****As of June 30, 1980, the Commission had bond anticipation notes of $1,700,000, due December 7, 1980, through December 7, 1984.